

# SOCIAL RESEARCH

AN INTERNATIONAL QUARTERLY  
OF POLITICAL AND SOCIAL SCIENCE

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*July 1956*

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# GROWTH TRENDS IN PRODUCTIVITY, CONSUMPTION, AND INVESTMENT

BY HANS APEL

**G**RWOTH trends in productivity and consumption have been the subject of speculation in economic literature for a long time, from the early Malthusian propositions to such diametrically opposed contentions as are implied in the Harrod-Domar-Hicks thesis and in Keynes' suggestion of a declining propensity to consume. In a stricter sense, however, growth trends as such were only peripheral and not in the center of these inquiries, because their relative stability was assumed in every case.

The purpose of this paper is to draw attention to the fact that the observable rates of growth in productivity have shown a clear tendency during the last quarter of a century to increase continuously, and to suggest that this cannot be easily interpreted as merely a temporary deviation. As a consequence, it becomes relevant to inquire into the fundamental implications of such a trend for the consumption function, as well as for the growth requirements of the economy at large.

## I

In regard to the growth of productivity, the notion of a rather uniform performance over the last hundred years has become deeply imbedded in our thinking. Data for the period from 1850 to the end of the 1920s have been taken as clear substantiation for the prevalence of a "normal" growth rate of about 2 percent annually which, projected on a semi-logarithmic scale, would appear as a linear trend of moderate steepness. Although evidence in favor of a changing tendency has been mounting during the last twenty-five years, the traditional notion, in spite of some

recent first concessions, still seems to reign supreme.<sup>1</sup> In general, the more recent increases in productivity have obviously been viewed as temporary phenomena, induced by war and postwar conditions, which will tend to revert to the old pattern before long. Only very recently have some deviations occurred in regard to the assumption that the rate will not move from its fixed path of 2 percent, and rates of 2.3 and even 3 percent have been suggested as likely to prevail during the decades to come.<sup>2</sup> But in neither case, so it seems, have the fundamental implications been faced which are suggested by the possibility of a continually-upward moving rate, although in one work (Dewhurst, p. 41) this very tendency is clearly depicted in an accompanying chart.

Since there was undeniable merit in the contention that the high productivity rates shown in the war and postwar years could not properly be viewed as representing a normal trend, data for the most recent years take on a particular significance. But even after their inclusion, the case for the existence of an exponential trend is strong enough to warrant expounding it further as a reasonable hypothesis. On a chart tracing the past increases in

<sup>1</sup> A few cases may be cited to show how strong this tradition still is. G. P. Hitchings, in an estimate of personal income for 1960, implies a growth of the economy at large at a yearly rate of only 1.5 percent: in H. V. Prochnow, *Determining the Business Outlook* (New York 1954) p. 252. R. St. Weinberg acknowledges a productivity increase of 3.5 percent for the years from 1947 to 1951, but refers to it as a "high short-term rate" whose continuation seems unlikely: in his "Full Employment 1955-1960," in *American Economic Review* (December 1953) p. 866. S. Fabricant, in the 34th *Annual Report* of the National Bureau of Economic Research (New York 1954) p. 5, refers only to the average past growth of about 2 percent, and *Business Week*, commenting editorially on this aspect (June 19, 1954, p. 180), points out that "this rate of productivity has been remarkably persistent and there is every indication that it can be maintained." E. C. Bratt, in his deservedly well known text—*Business Cycles and Forecasting*, 4th ed. (Chicago 1953) p. 62—says "If, as is approximately the case in the United States today, . . . productivity is increasing 2 percent per year . . ." (italics added).

<sup>2</sup> A rate of 2.3 percent has been suggested by Dewhurst and Associates in the Twentieth Century Fund's *America's Needs and Resources, A New Survey* (New York 1955) p. 40, while an article in *Fortune* (November 1955) deals at length with the implications of a rate of 3 percent. G. Colm, in *The American Economy in 1960*, published by the National Planning Association (1952), uses a growth rate of 2.5 percent for his projections.

man-hour productivity from 1850 to 1955 the appearance of such a curvilinear trend is unmistakable.<sup>3</sup>

The implications of a considerably higher growth rate in productivity than the average shown over the past hundred years are somewhat inscrutable, and obviously much depends on the speed and degree with which this change will occur. *Fortune*, in predicting the 3 percent rate, calls this "the most stupendous prediction that can be made about the U. S. economy, 1955-1980," and avers that "if this extra percentage point materializes, it will remake America. . . ." But the implications of even a growth rate of 3 percent are not nearly so explosive as those of a possible continuous increase in line with the past curvilinear trend as it stands now revealed.

In the interest of getting a glimpse of what may reasonably be expected of this future trend, it seems worth while to analyze the past trend in detail, and to interpret it in the light of our present knowledge of the forces that are likely to determine the future. Since scientists have almost invariably tended to underrate the possibilities of the future, this inquiry will purposely not shrink from accepting any reasonable conclusions to which the analysis

<sup>3</sup> The major data for such a chart are as follows (actual values, in 1955 dollars). "Man-hour productivity in terms of private *national income* for private man-hour," in ten-year intervals starting with 1850, was .88, .45, .47, .49, .68, .84, 1.00, 1.04, 1.19, 1.45, 2.14; the value for 1929 was 1.26, and for 1951-55 it rose from 2.23 to 2.26, 2.30, 2.36, and 2.45 (these figures, though converted from 1950 dollars, are from Dewhurst, *op. cit.*, p. 40, with the exception of the last three, which are estimates of the writer, following Dewhurst's procedure). Supporting data for "private *gross national product* per private man hour" are, for 1909 and 1910, 1.08; 1918, 1.15; 1919 and 1920, 1.22; 1929, 1.50; 1930, 1.46; 1939, 1.84; 1940, 1.93; 1949, 2.33; 1950, 2.49; 1954, 2.75; 1955, 2.90 (these data, converted from 1947 dollars, are from *The Economic Almanac*, 1956, p. 439, with the exception of the figure for 1955, which is the writer's estimate). A trend line drawn to fit these actual data shows the following figures, for ten-year intervals starting with 1850: .39, .42, .46, .51, .59, .71, .87, 1.07, 1.33, 1.68, 2.25, and 2.60 for 1955. If this trend is projected into the future, man-hour productivity reaches 3.20 in 1960, 5.00 in 1970, and 9.00 in 1980. The percentage changes in the compound rate of growth, as measured by the slope of the trend line drawn through the middle point of every twenty-year period after 1850, rise from 1.0 in 1860 to 1.2 in 1880, 1.9 in 1900, 2.3 in 1920, and 2.8 in 1940, while the percentage for the last twenty years, 1935-55 and centering on 1945, is 3.3.

leads, even though, in the light of their possible effects, they may look utterly fantastic now. In a fast moving world such as ours, proper realism may well demand a readiness to look at what seems impossible today as the possible rule of tomorrow.

As was mentioned above (note 3), the trend revealed by the available data on productivity shows a gradual rise in the rate of growth from an early 1 percent to the most recent 3.3 percent. If this is accepted as properly representing our past development, it amounts to asserting that the forces making for productivity have been shown to produce cumulative effects. This strikes one as so plausible a hypothesis that it is difficult to see how it could have been overlooked for so long. An essentially deductive argument in support of this hypothesis must postulate, for the natural sciences as a whole and for technology in particular, an interdependence of all their various branches and of their achievements whereby they tend to support one another in such a way that the beneficial effect of one set of forces becomes the firm basis on which new, stronger, and more varied forces can grow in increasingly rapid cross-fertilization. As long as there is scope and stimulus for these forces to expand, either quantitatively or qualitatively, they are bound to combine into powerful cumulative trends.

This hypothesis of the cumulative effects of the interaction of scientific and technological achievements is in itself, no doubt, generally recognized, and most of our empirical accounts of economic development run in similar terms. But while it obviously has been familiar to the historian, it still remains to be accepted as the fundamental rationale underlying analyses of the growth trend in productivity. As long as one cannot reasonably assume a slackening, or even a standstill, of the driving forces behind our modern technology, or as long as the emergence of powerful counterforces is unfathomable, the hypothesis of a *continuously rising rate of productivity* strongly commends itself.

To marshal evidence in support of the contention that a slacken-

ing or standstill of the driving forces in science and technology may occur in the foreseeable future would be, at the present time, a hopeless task; all signs point clearly in the opposite direction, as will be shown in some detail at a later point. But one cannot with equal ease dispose of the second possibility, the emergence of powerful counterforces which, occurring at relatively short intervals, could temporarily affect productivity so adversely that, on balance, only moderate growth would prevail.

The nature of such possible temporary counterforces is suggested by an analysis of the actual path of our past productivity performance. Twice, between 1860 and 1880, and between 1910 and 1920, the actual performance dropped severely below the secular trend. The reason, no doubt, is to be found in the conditions and after-effects of war. On the other hand, the much greater war effort in the 1940s resulted in an unprecedented surge of productivity increase. This comparison reveals a fundamental structural difference between the effects of war under conditions of low technology and those under high technology. At low levels war means essentially inroads into skilled manpower that cannot be replaced. At high levels an increased substitution of better machines and methods provides the answer.

Next to war, one may think of depression as a possible strong counterforce. In this context the decades of the 1870s and 1930s are particularly relevant. But if, disregarding the possible after-effects of the Civil War, one wants to make the six years of strong depression in the 1870s responsible for the low level of productivity in that decade, it has to be remembered that the even much stronger dose of depression during practically the entire decade of the 1930s produced a significant increase in productivity. This performance of the 1930s certainly proves that severe and prolonged depression, under conditions of modern technology, does not necessarily affect productivity adversely. Increased substitution of capital for labor, elimination of the need for the marginal outputs of the least productive factors, and improvement in mana-

gerial efficiency under the stress of adverse conditions explain this result satisfactorily. That a "normal" admixture of depressions is well reconcilable with strong growth is so amply shown in the record of our past that it needs no further comment.

This evidence suggests that neither war—short of conceivable effects of almost complete atomic annihilation—nor more or less severe depressions is likely to thwart the surging forces of present technology. Rather, it seems, they now tend to ride on the wings of such developments. Minor obstacles to sharply increasing rates of productivity—such as occurred in 1929, 1946, 1947, 1949, and 1952, under conditions of a suddenly ending boom, of inflationary pressures, or of mild and short-lived recessions—have, in the past, led to no more than a small reduction in the overall strength of the upward movement. They can hardly be expected to have a different effect in the future.

One other possibility suggests itself: that the performance record of the last four decades was not achieved in spite of major wars and depressions but was largely their result. This would imply that wars and depressions have provided a stimulus to increasing productivity without which an economy like ours would tend to become sluggish. One might then argue that this new and more sluggish structure may be the price we shall have to pay for the abolition of these two scourges of mankind. Such a revival of Schumpeterian prophecy is hardly to be expected, however, for the decades to come. The managerial push within big business has so far not shown signs of lagging behind the entrepreneurial prowess of the past. Unless we assume a much greater degree of monopolization in our economy than is likely to occur in the years ahead, the absence of war-fed super-prosperities and depressions seems more likely to lead to some accentuation of competition, by either price or product differentiation. The resulting pressure for more efficient production, for improvement of quality, or for frequent changes in design should tend to favor innovation. Growing pressure from labor unions, with implied anticipation of future gains from increasing productivity, would point in the

same direction. With a further likely increase in the relative scope of big business and oligopolistic market structure, competitive rivalry should be a particularly powerful spur to constant technological advance, even when this becomes more and more costly.

If this argument leaves the case for a constantly rising rate of productivity unimpaired, it becomes relevant to assess the degree which this increase is likely to attain in the decades ahead. The slope of the trend, measured in twenty-year intervals between 1890, 1910, 1930, and 1950, shows approximate rate increases of 0.3, 0.5, and 0.8 percent. In this light, further increases for each of the next three decades might conservatively be estimated at 0.4, 0.5, and 0.6 percent.

But to stop here would hardly be realistic in view of the fact that we stand, so it seems, at the threshold of "secularly new" technological developments that are likely to raise the entire plateau of productivity as much as our first industrial revolution did, and perhaps even more drastically. In order to take account of this, the rates of increase that would have been prompted by the continued technological development due to "old" technological forces must be adjusted upward for the increment resulting from the set of "secularly new" forces.

The entire frontier of physics and chemistry forms the basis from which these new forces have already started to rise, or are likely to emerge within a decade or two. This secular upswing will center around three fundamental developments: the method of electronic feedback, already in full promotion; the harnessing of atomic, solar, and perhaps even hydrogenic power, for which secure foundations now exist; and the process of photosynthesis, still in the laps of the pure scientists.

Of these three, only the first has reached a stage where some evidence as to the likely influence on productivity is available. This evidence relates to the two main areas in which feedback systems are essential: automation and the realm of electronic computers. Their thorough effect on productivity stems from

their fundamental ability to substitute for man's lower mental faculties in the same way in which the machine became a substitute for human and animal muscle power. Effects of automation seem to free an average of two workers out of three, while computers, within the much narrower area where they can effectively be used, may well free nine out of every ten.<sup>4</sup>

Occupational Group	% of Total Em- ployment	Employment % Likely to be Affected			
		by Automation		by Elec. Computers	
		in area	total	in area	total
Professional and technical	9	..	...	30	2.7
Farmers, farm workers	10	10	1.0	..	...
Clerical	13	..	...	60	7.8
Salespeople	6	..	...	..	...
Foremen, craftsmen	13	60	7.8	10	1.3
Services	8	10	0.8	20	1.6
Operatives, laborers	27	60	16.2	..	...
Managers, proprietors	10	..	...	10	1.0
Total	96		25.8		14.4

The overall effect of these developments will depend essentially on the extent to which their use is feasible within the various sectors of the economy. In order to make the guesswork surrounding this problem slightly more systematic, an analysis for the major occupational groups is provided in the accompanying table. The table, it should be noted, refers to the extent to which labor in the various groups is likely to be affected. If we apply to the table's totals the above-mentioned estimates regarding the degree

<sup>4</sup> Typical effects of automation may be illustrated by a few examples: overall productivity of an entire large automotive engine plant was increased by 25 percent; complete automation of some relatively small plants (plastics, die casting) reduced labor requirements to (not by) about one-tenth; a recent study of twelve representative cases has shown that automation reduced labor requirements by 13 to 92 percent, with an average reduction of 63.4 percent. And large computers, serviced by only a few persons, have been reported to take over the work previously done by several hundred clerical employees.

of labor replacement that may be expected, we arrive at a figure of 17.2 percent of total employment replaced by automation (two-thirds of 25.8) and 13.0 percent replaced by computers (nine-tenths of 14.4)—a total of 30.2 percent of total employment.

It seems conservative to assume that it may take the next three decades to arrive at the full effects which the table projects. This would mean that after each interval of ten years only 90 percent of labor would be required for what ten years earlier took 100 percent. Figured as a yearly compound rate, the increase would then amount to 0.9 percent throughout the thirty-year period.

No basis exists at the present time for estimating the possible effects of the two other great developments that loom on the horizon of perhaps the second or third decade ahead. Although their overall influence may dwarf that of our present electronic revolution, it stands to reason that their effect on productivity may be less; in fact, it may be assessed at only 0.5 percent for each of the two later decades. Combined, the "old" and "new" forces would thus tend to raise the present rate of productivity increase by 1.3 percent for the next decade, and by an additional 1 and 1.1 percent for the two decades thereafter, yielding total rates of increase of 4.3, 5.3, and 6.4 percent for each of the ten-year periods ending in 1965, 1975, 1985. It is reasonable to suspect that such a compound growth, its momentum increasing geometrically with increasing base rates, must have important consequences for the growth of income in general, and for the shape of the future consumption function.

## II

No determinate relationship can be assumed, of course, between productivity and consumption. The main intervening variables are the extent of labor participation on one side, and the flow of resources into investment and governmental functions on the other side. On the basis of reasonable estimates for these main variables, the following simplified models for the years 1965, 1975, and 1985 emerge (all figures except per capita expenditures are

in billions of dollars).<sup>5</sup> The figures given here compare with a present per capita consumption of \$1,500, and imply an average rise of consumption of 4 percent over the next thirty years, reaching about 5 percent by the end of that period.

	1965	1975	1985
Gross National Product	545	880	1,600
Investment (15% of GNP)	82	130	240
Government (17% of GNP)	93 175	150 280	270 510
Consumption Expenditures	370	600	1,090
Per Capita Expenditures	\$2,050	\$3,000	\$4,950

In order to assess properly the perspective of such a growth, it is relevant to compare it with consumption expenditures in the past, which clearly show a linear trend rising at an average rate of 1½ percent.<sup>6</sup> In relation to this past trend, the average growth rate of 4 percent indicated for the future implies that consumption could continuously rise at a speed 2.5 times higher. Naturally, it is pertinent to inquire whether this would be a realistic assumption.

As the past record shows, a growth rate of about 4 percent and

<sup>5</sup> GNP is estimated by assuming the above-established growth rates in productivity of 4.3, 5.3, and 6.4 percent; a growth of the labor force by 1 percent per year; an average work week of 38, 33, and 28 hours respectively. The rate of investment represents the past average during prosperous periods. The share of resources going to government is reduced by 3 percent below its present rate, on the assumption that, barring great new emergencies, a fast rising level of income should lead to a relative reduction of the cost of government. Population estimates are 182, 200, and 220 million.

<sup>6</sup> Data for "per capita consumption expenditure" are contained in S. Kuznets, *National Product Since 1869*, National Bureau of Economic Research (New York 1949) pp. 35 and 107, and in *Survey of Current Business*, July 1953, pp. 26-27, and November 1954, p. S-1. These figures, converted into 1955 dollars and centered on Kuznets' moving averages, are as follows for his starting year 1860 and for the third and eighth years of each of the following decades, ending in 1955: 300, 307, 396, 464, 481, 498, 566, 658, 724, 747, 801, 930, 1,020, 815, 1,010, 1,120, 1,360, 1,450. Projection of the linear trend yielded by these data, showing a yearly growth rate of 1½ percent, would bring per capita consumer expenditure to slightly over \$1,500 in 1960, about \$1,750 in 1970, and roughly \$2,100 in 1980.

even more has prevailed during three previous periods of peak performance: from 1873 to 1883, from 1933 to 1941, and from 1944 to 1950. In all three cases this was a reaction to severe declines or interruptions of the normal upward trend, produced by war or depression of a particularly severe character. On the other hand, the record shows periods of subnormal rise which are not easily explained by conditions of war or depression or retarded productivity, such as prevailed from 1883 to 1893 and from 1907 to 1913. Since this has happened after long-continued strong upward movements in the rate of consumption growth, it suggests an inherent tendency of consumption to weaken after extreme spurts. The past record, seen in this light, contains nothing that makes the assumption of a continuous 4 percent rate of growth look feasible; nor does it become more plausible if we compare, for the period ahead, the differences between an extension of the past trend and one rising at the 4 percent rate.

Since no pragmatic evidence can possibly throw enough light on future possibilities, it becomes necessary now to review briefly the main arguments made in previous attempts to illuminate the problem of the long-run consumption function—which essentially is what is here at stake.

Keynes, the father of the concept, did not specifically refer to the implications of a continuously rising rate of growth in either productivity or income. He made the somewhat heroic suggestion (in his *General Theory*, pp. 96-97) that even "a higher absolute level of income will tend, as a rule, to widen the gap between income and consumption," and that, since "the satisfaction of the immediate primary needs . . . is usually a stronger motive than the motive towards accumulation, . . . these reasons will lead, as a rule, to a greater proportion of income being saved as real income increases."

This contention, which would find expression in a curvilinear shape of the consumption function convex from above, was soon sacrificed by Keynesians themselves. The statistical evidence of the late 1930s seemed to contradict it; and, on logical grounds,

the rationalization was offered that "as incomes in all groups have risen, changes in the standard of living have forced upward the minimum requirements, so that always the lower income groups . . . still consumed all or even more than all of their incomes."<sup>7</sup>

On the other hand, the original Keynesian contention seemed to be corroborated by Ezekiel's interpretation of statistical series for savings and consumption expenditures during the 1920s and 1930s; and understandably, "persistence in habits of consumption" was stressed in rationalizing this pattern.<sup>8</sup> Since the upsurge of consumption in the postwar period was hardly reconcilable with this latter assumption of persistent consumption habits, the time was ripe for the formulation of a theory embodying the opposite contention.

In this vein, Modigliani argued that "the proportion of aggregate income saved tends to remain unchanged" because people whose income increases in line with a general rise in income try to keep up with the spending of those who have at the same time moved into the next higher income bracket. During periods of cyclical contraction, on the other hand, they show a rigidity of consumption habits which makes them maintain consumption at the expense of saving.<sup>9</sup>

Similarly, Duesenberry asserted that "the percentage saved will be independent of the absolute level of income," and in fitting a linear equation of the type  $S_t/Y_t = a(Y_t/Y_0) + b$ , where  $a=0.25$  and  $b=0.196$ , to data for the period from 1929 to 1940 he obtained a high correlation in support of his thesis.<sup>10</sup> In this context he

<sup>7</sup> A. H. Hansen, *Fiscal Policy and Business Cycles* (New York 1941) p. 233.

<sup>8</sup> M. Ezekiel, "Statistical Investigations of Saving, Consumption, and Investment," in *American Economic Review* (March 1942) pp. 22-49.

<sup>9</sup> Franco Modigliani, "Fluctuations in the Saving-Income Ratio: A Problem in Economic Forecasting," in *Social Research* (December 1947) pp. 413 ff.

<sup>10</sup> I. S. Duesenberry, *Income, Saving and the Theory of Consumer Behavior* (Cambridge, Mass., 1949) pp. 3, 90-91.  $S_t$  and  $Y_t$  stand for current saving and disposable income, respectively, while  $Y_0$  is the highest previous disposable income. The equation thus portrays current consumption as always influenced by previously attained levels of income. This will lead to an increased function when income decreases, and vice versa.

introduced a "demonstration effect" as the logical basis for asserting that the "secular relationship between saving and consumption is one of proportionality." This effect implies that people can always be made sufficiently dissatisfied with using one set of goods, if the superiority of others is demonstrated to them by frequent contact with other people's more ambitious patterns of living. While the demonstration effect tends to check the desire toward accumulation in periods of rising income, a person's cherished memory of the period in which he attained his highest previous income, built as  $Y_0$  into the Duesenberry formula, will keep it similarly down in depression. Thus the argument rests on both the assertion of a human tendency to change habits and the assertion of an opposite tendency toward habit persistence.<sup>11</sup>

Although the contentions of Keynes-Ezekiel and Modigliani-Duesenberry are diametrically opposed, both seemed to be rather well reconcilable with the data covering the period from the 1920s to the early 1940s. Essentially, this is apparently due to the fact that both made proper allowance for the severe effects of habit persistence under conditions of depression. Neither of the two arguments was applicable, of course, to the savings and consumption patterns enforced during the war. In the immediate postwar years the relatively modest rate of savings seemed to indicate the full operation of Duesenberry's "demonstration effects," while adherents of the Ezekiel position could shrug this off as a temporary reaction due to the pent-up war demand.

Savings in more recent years, however, can hardly be reconciled with estimates that one would derive by following either the Ezekiel or the Duesenberry formula. Applied to the years after 1950, an estimate of "offsets to savings" along Ezekiel's procedure

<sup>11</sup> It has recently been asserted that the long-run consumption function may even tend to bend downward, because habit persistence will "slow down the effects of current income changes on current consumption" and a process of catching up later will then exercise its intensified effects on consumption. To this writer it seems illogical to postulate habit persistence and a forceful tendency to catch up at one and the same time without introducing a well reasoned theory of habit acceleration. See T. M. Brown, "Habit Persistence and Lags in Consumer Behavior," in *Econometrica* (July 1952) p. 370.

would exceed actual values by about 12 percent, on the average.<sup>12</sup> And the Duesenberry formula, which is of greater interest in the context of this paper, would yield a rate of average personal saving to disposable income of only 4.6 percent for the period from 1950 to 1955, while the actual average rate reached 7.4 percent, thus overshooting the Duesenberry mark by a full 60 percent. Such a discrepancy naturally raises doubts as to the reliance that can be placed on the demonstration effect.<sup>13</sup>

These disappointing results could perhaps have been expected, in view of the fact that both propositions rest partly on more or less crude generalizations and partly on statistical evidence too heavily weighted with data reflecting extreme conditions, such as the 1930s represented. To assert, for instance, that human behavior has a tendency either to change or to persist represents a truism so broad in nature that it becomes almost useless as basis for any workable hypothesis. To render such truisms more workable would require careful qualification as to the possible direction, degree, and limits that can be assumed to prevail in regard to such fundamental patterns of behavior.

The lack of such qualifications in Duesenberry's argument is worth noting. He assumes only a onesided operation of the demon-

<sup>12</sup> Ezekiel assumes a static factor that would increase gross savings by 265 million for every billion of increased national income, and a dynamic factor that would add another 230 million. With 1950 as base, gross savings from 1951 to 1955 should thus have been 292 billion dollars, while in fact they amounted to only 260 billion. (For this comparison "gross savings" have been identified with "gross capital formation.")

<sup>13</sup> Possibly the discrepancy may reflect no more than the shortcomings that practically all consumption functions have shown when put to the test of prediction; see Robert Ferber, *A Study of Aggregate Consumption Functions*, National Bureau of Economic Research, Technical Paper 8 (New York 1953). But the margin of error built into the Duesenberry formula grows significantly for periods of high savings, such as prevailed after 1950 (for the 1947-49 period, when personal savings were only 4 percent of disposable income, Ferber finds the margin of error to be only 15 percent). Ferber's adverse findings corroborate a skepticism, voiced earlier by Katona, concerning "the preponderant use of the times-series approach, both in theory and in statistical analysis," which "has done disservice to economic research by impeding the study of the 'wanderings' of the consumption function": G. Katona, *Psychological Analysis of Economic Behavior* (New York 1951) p. 173.

stration effect, that is, upward. But under changed institutional conditions, when the tendency toward ostentatious living among the upper classes might decline, as perhaps it has already started to do, the demonstration effect could as well be downward. Here, at a crucial point, Duesenberry's argument seems to become circular. The operation of the demonstration effects clearly presupposes one group of demonstrators and another group that will be affected by the demonstration. Unless the argument shows how the demonstrators can be expected to expand consumption continually, although they themselves cannot be assumed to be subject to demonstration effects emanating from others, such continuance cannot be assumed.

The question of the degree to which the effect could operate within the permissible limits of time is equally omitted by Duesenberry. That there are no narrow absolute limits for human consumption, and, if all time limits are removed, not even any fathomable limits, is a reasonable proposition. But it is not necessarily reasonable to assume that consumption can increase without limits within certain given limits of time. As to this question of degree, the evidence marshaled by Duesenberry suggests merely that the demonstration effect can cope with a relatively moderate increase of income, such as we have had over the past. And even the question of some existing absolute limit may lose a good deal of its assumedly purely academic aspect when one ponders the possible compound effects that may be exerted on consumption in the not too distant future by continuously rising growth rates in either productivity or income.

The lack of these necessary qualifications in the Duesenberry argument renders it unfit to support the contention that consumption can grow at a continuously increasing rate. Duesenberry himself, rather than asserting this, has actually ruled out the conditions that possibly could give rise to it. This he does by implicitly denying that both productivity and income can rise rapidly (he says, on p. 115, that "Income cannot continue, however, to rise at a very rapid rate, for as soon as full employment is reached only

increases in productivity will raise income"—which implies that productivity cannot rise at a very rapid rate).

On the other hand, Duesenberry is fully aware, of course, that even any increases in productivity "would tend . . . to widen the gap between the income potential of the economy and its actual income" (pp. 115-16) if we could not rely on the demonstration effects to absorb easily increases in absolute income. And when he says, in the last paragraph of his book, that "The economy can absorb increases in productivity provided that a boom of sufficient magnitude occurs periodically. A burst of innovations or a war is capable of doing this," is he not perhaps mirroring his own faint suspicion that the demonstration effects may sometimes require a "good push" or the substitute of war destruction? But if we actually should face increasing rates of productivity growth with which the demonstration effect cannot properly deal, a declining consumption function would be the most immediate result, and would be instrumental in bringing about a widening of the gap between potential and actual income.

The thesis that present growth tendencies in productivity, on the one side, and in consumption on the other operate in favor of a secular decline of the consumption function finds logical support in the following set of arguments.

1) Since productivity depends essentially on technological factors, while consumption follows human motivations within human physiological and sociological limits, there is no inherent reason why the two should grow in any parallel fashion.

2) If productivity is relatively low and growing at a moderate rate when, at the same time, levels of consumption are similarly low, the slogan that "man's wants are insatiable" and the more theoretical tenet that at least in the long run consumption is effectively limited by supply hold for all practical purposes. But these propositions can no longer be taken for granted when productivity grows rapidly and consumption levels have already considerably advanced.

3) At least a partial refutation of the statement that "man's

wants are insatiable" is supplied by the behavior pattern of the more wealthy groups who save substantial fractions of their growing incomes. This shows a close approximation to practical satiation of all reasonable patterns of demand.

4) This same experience suggests that something in the nature of "diminishing utility" asserts itself in the overall consumption pattern of people with swiftly rising income.

5) Limits of time set ultimate limits to consumption since this in itself is time-consuming. Past gains in leisure have already encroached substantially on the initially existing margin. It stands to reason that the possible further gains in leisure may, in comparison with those of the past, yield only diminishing returns in regard to consumption.

6) Very swiftly rising incomes are likely to become a spur to greater consumption "at all costs," inviting an ever broadening scope of "unreasonable consumption." Since society has a stake in preventing such excesses, dampening effects may well result.

7) The spur of "conspicuous consumption," which has its powerful roots essentially in the side-by-side existence of poverty and wealth, is unlikely to remain so effective as it was in the past. Under conditions where even the members of the lowest income brackets may afford most of the reasonable comforts of life, emulation as such, and distinct from the demonstration effects, must lose much of its force.

8) The very concept of a "standard of living," representing aspirations which, once they are fulfilled, tend to remain relatively stable for at least some time, militates against the plausibility of increases in consumption at constantly increasing rates.

9) A rearrangement of consumption patterns, in which both emulation and demonstration effects may play a much lesser role, is also suggested by some specific changes in the social pattern. Leisure has become increasingly typical of the lower-income groups; far from working any more from dawn to dusk, they engage now in a rather strictly limited work effort, while "long hours of work" have almost become a mark of distinction for business

executives, government officials, and the professions—an influential part of the upper social strata.

From these observations, which naturally acquire a speculative taint to the degree that they peer into the future, a set of reasonable hypotheses may be derived in regard to the more important aspects of consumption. These may be stated as follows: first, it is unrealistic to assume that consumption can progress at the same rates at which productivity, and thus income, could possibly grow; second, for extended periods of time, growth of consumption is likely to proceed essentially in a linear fashion; third, a prevailing constant rate of consumption growth may, at irregular secular intervals, give way to a moderately higher rate in response to fundamental structural changes tending to widen the scope of demand in general; and fourth, against a background of continuously increasing rates of productivity, and roughly proportionate increases in per capita incomes, the consumption function will be subject to a continuous tendency to decline, while, vice versa, the propensity to save will tend to rise.

### III

For the preceding analysis, investment has been assumed to be in line with past behavior, which has amounted, in years of prosperity, to about 15 percent of gross national product, on the average. It cannot be taken for granted, however, that this same rate will prevail in the future, if the assumed growth of GNP, under the anticipated rates of growth in productivity, is to be realized. The required rate of investment would then be affected both by a change in the capital coefficient—defined as the ratio of the existing capital stock to actual output—and by a change of prevailing tendencies to discard old capital stock. An increase in the capital coefficient, as well as increasingly rapid obsolescence, would lead to an increase in investment requirements, while the opposite tendency would make for their reduction. It is therefore obvious that even the rapid growth in the rates of productivity assumed in the preceding discussion could not pose any problem if

it were accompanied by a clear and strong tendency toward a rising capital coefficient and increasing obsolescence.

In regard to the latter question, evidence can be adduced only from data for the years since 1929. During this period capital-consumption allowances, computed in real terms in relation to GNP, fell from 8.8 percent in 1929-41 to 6.4 percent since 1942. If allowance is made for the extreme underutilization of capital stock during the 1930s, which fails to be reflected in the depreciation figures for those years, the rates move rather close together; but certainly they show no evidence of a rising tendency.

The question of a possible change in the capital coefficient is much more involved. It has been the subject of heated controversy in the past, involving the problem of a "deepening" or "shortening" of our capital structure. The stagnationist notion that modern innovations are primarily of a capital-saving character seems to have lost much of its edge, and the deepening effects of the accelerated trend in automation are almost taken for granted, in the business world as well as in much of the literature.

One looks in vain, however, for any objective confirmation of this optimistic view. Voices of skepticism are heard again, and recent statistical investigations, by Creamer and Kuznets-Goldsmith, seem to prove the opposite, if they prove anything.<sup>14</sup> Thus

<sup>14</sup> Skepticism is expressed by H. R. Bowen's "Technological Change and Aggregate Demand," in *American Economic Review* (December 1954) pp. 917 ff.; Bowen ends with the warning that "technological change may not prove to be the bulwark of future high-level stability that current literature frequently suggests." The statistical investigations are Daniel Creamer, *Capital and Output Trends in Manufacturing Industries, 1880-1948*, National Bureau of Economic Research, Occasional Paper 41 (New York 1954); and S. Kuznets and R. W. Goldsmith, *Income and Wealth of the United States: Trends and Structure*, International Association for Research in Income and Wealth, Income and Wealth Series II (Cambridge, Eng., 1952) pp. 297-98. Creamer establishes for six "benchmark years" between 1900 and 1929 an average ratio of .80 for the book value of capital to output in manufacturing, but finds this ratio to be only .74 in 1937 (when the figure is considerably overstated as a result of existing underutilization of capital) and .53 in 1948. Goldsmith finds an average ratio of 3.55 for "reproducible total wealth," and one of 2.51 for "structures and producers' equipment" (which excludes residential building and consumer durables) for 1910-29 with the omission of the erratic war years from 1914 to 1919; in comparison, the respective averages are 2.55 and 1.64 for the years 1947-50.

Creamer establishes a reduction in the capital-to-output ratio for manufacturing of about 33 percent for 1948 as compared with 1929, while Goldsmith's findings make it appear to be 30 percent less for our "reproducible total wealth" during 1947-50 in comparison with the average of earlier years of similar prosperity. Creamer concludes (p. 44) that "manufacturing has developed along the following course: In the earlier decades an increasing fraction of a dollar of capital was used to produce a dollar of output; in more recent decades a decreasing fraction of a dollar of capital has been sufficient to produce a dollar of output. This is consistent with the interpretation that in the earlier decades capital innovations on balance probably served more to replace other factor inputs than to increase output. More recently the balance has been in the other direction—capital innovations serve more to increase the efficiency of capital, hence to increase output, than to replace other factor inputs."

But this statistical evidence is far from solving the dispute, because estimates of the capital-to-output ratio are not a very reliable tool. On the one side, they depend on estimates of the existing capital stock which are very complex and therefore neither very trustworthy nor readily available for recent periods; even very substantial marginal changes tend to be submerged in the relatively so much larger figures for the existing total capital stock. On the other side, the figures for actual output often reflect accentuated overutilization or underutilization of the capital stock rather than its productive potential. Especially in times of declining or relatively too slowly increasing activity, an increase in the capital coefficient may easily be taken as proof of a deepening capital structure while in fact it may register merely the existing underutilization of the capital stock.

Kuznets, in a critical introduction to Creamer's study, expresses the belief (p. 12) that "two considerations would strongly militate against a simple and mechanical extension of a decline in capital-output ratio into the future." He sees "an element of historical chance in the combination of a decade of depression and of ob-

vious pressures for the reduction of the capital-output ratio with a decade of war and postwar readjustment which meant straining the productive capacity of the country and thus again lowering the capital-output ratio. It is unlikely that in the decade of the 1950's there will be a repetition of forces serving to depress the capital-output ratio even further."

It is obviously true that after the lean years of depression and war the opportunities to restock the economy with capital to a degree comparable to that prevailing before 1929 had not been exhausted by 1950; hence the five years thereafter, in which this goal was closely approximated if not actually reached, should provide a revealing clue. In view of the lack of sufficiently recent statistics in regard to the capital coefficient, it seems relevant to point out an alternative route by which changes in the capital coefficient from one period to another can be ascertained.

Under this alternative method, changes in investment, computed in relation to GNP, are related to changes in the increase of man-hour productivity. Since man-hour productivity measures the productive potential rather than actual output, and since investment in relation to GNP reflects the changing ratio of capital to actual output, the resulting figure tends to be free of the major defects inherent in the capital coefficient (but changes in the tendency to discard old capital cannot be registered by this method, and would therefore have to be traced independently). Such a computation would proceed as follows.

As a first step, rates of investment, expressed as a percentage of real GNP, are related to rates of increase in man-hour productivity; since replacement of capital, as a rule, leads to productive improvement, gross concepts for both investment and income must here be used. The resulting ratio, which may be called the *productivity coefficient*, is a measure of changes in the rate of productivity growth resulting from a given standard rate of investment. If  $Ir$  denotes the ratio of gross private domestic investment to GNP, and  $Pr$  denotes the rate of increase in productivity, the productivity coefficient is  $Pr/Ir$ . It stands for the growth in

productivity due to an investment equal to 1 percent of GNP, and may be briefly written  $R_p$ .

If  $R_p$  measures the productivity of investment, its magnitude must increase as less investment is required to bring about a given increase in the rate of productivity. And under these conditions, with less investment needed to achieve an increased productivity rate, the potential increased output can be procured from a reduced stock of capital, which implies a reduced capital coefficient. Tendencies toward changes in the latter can then be measured as the relation between the productivity coefficients of two periods. That relation, represented by  $R_{p1}/R_{p2}$  and briefly to be written  $R_i$ , may therefore be called the *investment coefficient*. It should be evident that this investment coefficient is conceptually not at all identical with the notion of the capital coefficient; while the latter measures the relation between capital stock and output, the former measures the change of capital coefficients from one period to another, though with no allowance for possible changes in obsolescence.

In applying these concepts to the data it seems most relevant to compare an early period with a succeeding period. Since reliable data for investment are not available for the years before 1919, we may choose 1919-29 as the early period, with 1929-55 as the later period. It is also desirable to segregate the years of depression and war, when there was obviously no restocking of capital, from the postwar period, when this was no longer true. The results appear in the accompanying tabulation.<sup>15</sup>

	1919-29	1929-55	1946-55
Ir	16.6	12.3	14.7
Pr	2.25	2.12	2.57
$R_p = Pr/Ir$	0.136 ( $R_{p1}$ )	0.172	0.168
$\overbrace{\qquad\qquad\qquad}$			average 0.170 ( $R_{p2}$ )

$$R_i = R_{p1}/R_{p2} = 0.136/0.170 = 0.8$$

<sup>15</sup> Investment data for Ir are taken, for 1919-28, from Th. Morgan, *Income and Employment* (New York 1952) p. 172, and, for 1929-54, from *Survey of Current Business* (July 1955) p. 8. For GNP, data for 1929 and later are from the latter

The negligible difference between the value of  $R_p$  for the entire period after 1929 and its value for the postwar years would seem to cast severe doubts on Kuznets' above-mentioned criticism of Creamer's findings. And although the decline in the value of  $R_i$ , the investment coefficient, to only eight-tenths is somewhat less than the reduction to about two-thirds, which the studies of Goldsmith and Creamer suggest for the capital coefficient, the results are close enough to support the contention that the capital coefficient is subject to a tendency to decline.

## IV

It now remains to tie together the results of the foregoing analyses. This may be done by projecting for the next three decades the growth tendencies of productivity, consumption, and investment. The data for GNP remain as they were developed above (see note 5). Consumption expenditures have to be in line with the projection of the past trend, in accordance with the assumption that the demonstration effect cannot be relied on to deal with further accentuated increases of income. Expenditures for investment should reflect the past tendency of the capital coefficient to decline by about 20 percent, and thus they should account for 12 percent, rather than 15 percent, of GNP. Government expenditures should remain at 17 percent of GNP, as assumed above. Under these conditions the following models emerge (dollar figures in billions).

	1965	1975	1985
Gross National Product	545	880	1,600
Investment (12% of GNP)	65	105	190
Government (17% of GNP)	93	150	270
Consumers	297	380	497
Gap: in billions of dollars	90	245	643
in percent of GNP	16.5%	27.5%	40%

source, and those for the years before 1929 are from *The Economic Almanac* (1956) p. 439. Data for 1955 are from *Federal Reserve Bulletin* (March 1956) p. 285. Values for  $P_r$  were derived by measuring the slope of the productivity curve (see note 3, above).

The gaps shown in these models would act as powerful deflationary agents, and their tendency to grow rapidly over time could not possibly be left unchecked. It is reasonable to doubt, however, whether even the most dynamic stimulation of demand—by business on the one side, and by traditional monetary and fiscal policy on the other—could deal appropriately with conditions in which the link between income and consumption had become as tenuous as the assumption of a limited demonstration effect implies. If this possibility of considerable instability, with a resulting severe retardation of overall growth, is to be avoided, it may be of paramount importance to think of new ways of coping with such a problem before we are face to face with it.

From our limited perspective of today the fundamental argument of this paper has an admittedly heroic character. And I should like to emphasize again that this argument is offered as no more than a reasonable hypothesis, and in no way as a prognosis. But unless this hypothesis should be proved to be irrelevant by the experience of the years ahead, its serious implications may well deserve continuing attention.

# A NEW GENERATION OF GERMAN LABOR

BY HELMUT R. WAGNER

ONE of the most important and nevertheless obscure problems of West Germany's amazing recovery from the collapse in 1945 is that of the present orientations of the generations that grew up under National Socialism, and the extent to which they have become integrated in the German social structure today. A recent investigation shed some light on this problem, at least within the boundaries of a specific and socially relevant area: the new generation of German labor. The essential findings of that investigation are summarized in the following pages.<sup>1</sup>

## I

The oldest members of the generation born in Germany between 1918 and 1928 had not left school when Hitler came to power, and its youngest members had still to serve in the armed forces before the collapse of the Third Reich. On the one hand, these young people were fully exposed to the influences of National Socialist education; on the other, they had to bear the brunt of Hitler's war and defeat.

A group of 132 members of this "new generation" were selected for a comprehensive study of their development from childhood to present activities, including their original attitudes toward National Socialism as well as their present-day outlooks. The study was based on focused interviews, group discussions, participation

<sup>1</sup> The investigation was carried out during 1953-55 as part of a large-scale research on the religious situation in present-day Germany, conducted by Professor Carl Mayer under the Research Division of the New School for Social Research, New York. The full report of this specific investigation, including a discussion of the methodological problems involved in the evaluation and analysis of its source material, is presented in Monograph III of that research: Helmut R. Wagner, *The Social and Religious Outlooks of a Young Labor Elite* (mimeographed, 442 pp., 1955).

reports, and, most of all, autobiographical documents. All of the individuals studied were active members of the West German Trade Union Federation, and thus they represent only one stratum of the country. Only 12 members of the group were female. Of the male members, all but 13 had served in Hitler's armed forces. The median age of the group was 30 years.

Two-thirds of these 132 individuals were studying at the Frankfurt Academy of Labor. They had joined the trade unions during the difficult years after the collapse, and were experienced shop stewards or (unpaid) union officials. The Trade Union Federation had proposed them for a year of intensive study at the Academy, and there an impartial admission committee had selected them from the full list of such nominees, on the basis of intellectual qualifications and a personality test. The Academy of Labor is affiliated with the University of Frankfurt, but it does not follow the University's formal study requirements. Instruction is offered in economics, management, labor law, political science, and sociology.

The remaining third of the group consisted of participants in four courses at one of the training schools of the Trade Union Federation. Courses there last three weeks, and are devoted to specific topics. These participants came from the same large pool of young trade-union officials from which the students at the Academy had been drawn.

Information on the social backgrounds of the group, while not complete, made possible a general appraisal of its social composition as indicated by the occupational status of the members' fathers and by their own formal education. Four-fifths of the group reported their fathers' occupations, and it was found that of these fathers more than half were workers, and nearly a quarter were administrative officials; only 13 percent were office employees, and 10 percent were members of the "old middle classes," such as store owners, independent craftsmen, or small peasants. The relatively high percentage of children of administrative officials is conspicuous, especially if compared with the small

number whose fathers were office employees. This runs counter to the distribution of these occupational strata among the population at large, and points to the particular social circumstances in which the members of the group had found their way to their present occupations: the far-reaching destruction of the whole social structure, and the accompanying disruption of the system of occupational stratification.

Almost nine-tenths reported on their formal education. Three-fifths of these had received only an elementary-school training; the remainder attended also a secondary school, but only 17 out of these 48 former high-school students had been able to graduate. In exceptional cases this failure to graduate from high school was due to economic difficulties or lack of interest, but for the most part the disruption was caused by political circumstances. Some of the students who had gone through their obligatory year of practical training in technical high-school were prevented from returning to their studies because the army claimed them. For some, higher education ended abruptly because the schools were bombed out. In most cases, however, education was terminated by the induction of whole classes into the anti-aircraft units or the labor battalions for the construction of the Eastern Defense Line. Hardly any of these students found an occasion to finish his studies after the war.

As was to be expected, most of those whose fathers were manual workers had not gone beyond elementary school, only 11 of them reporting a secondary-school education. Some (15) of those who came from white-collar families had attended only elementary schools, but in general this group had enjoyed a higher education. Of the total number who reported both on their fathers' occupations and on their own schooling, a relatively high proportion (31 percent) did not originally belong to the stratum of manual workers and had received at least a few years of higher education—a surprising finding in comparison with the dominant social-educational background of older generations of trade-union officials. The difference is primarily due to the influence of war and social

collapse, and while it specifically applies to the particular group under study, it may be of relevance to the trade-union movement within which this "new generation" operates.

A basic question in the investigation concerned the influence exerted on the members of this group by National Socialism, during childhood and adolescence. What was their own attitude toward National Socialism, and in what way did it influence their further development? Using the strictest criteria we attempted to ascertain how many members of the total group had accepted National Socialism prior to 1945, either wholly or for a certain period.

It was found that our 132 labor students could be rather evenly distributed in three categories: of 45, referred to here as the pro group, it could be asserted that they had been adherents of Hitler; of 43, referred to as the anti group, we convinced ourselves that they had steered clear of National Socialism or displayed hostile feelings toward it; no conclusion could be drawn about the remaining 44, but indirect criteria make it likely that two-thirds of them were "pros." This third, or unascertained, group consisted mainly of those who participated in the courses at the trade-union training school; our inability to classify them was due to the fact that for them we had only formal curricula vitae, while the students at the Academy had written autobiographical sketches.

For its detailed analyses our study concentrated on the 88 members of the pro and anti groups, and it is to these individuals that the following discussions apply. In what ways did the two groups differ from each other, apart from their opposite orientations toward Nazism, and in what ways were they similar?

## II

As regards age differences, it appears that the pressures of National Socialist indoctrination were slightly more effective among the younger than among the older individuals—a not surprising finding since the younger persons had been more exposed to Hitlerism. The median age of the pro group was 29.2, while that of the anti group was 31.8, a difference of more than two and

one-half years. While 60 percent of the pro group were below 30, scarcely more than 40 percent of the anti group were below that age.

Data were not complete in regard to these members' family and educational backgrounds. It was found that only slightly more than a quarter of the pro group, but more than half of the anti group, came from families of manual workers. And vice versa, almost half of the pros but less than a quarter of the antis came from white-collar families, with a few of the antis (one-seventh) belonging to the old middle classes. For the remainder no data were available. The children of office employees were about equally distributed between the two groups. The relatively few whose families belonged to the old middle classes were almost all against Hitler (6 out of 7); in their case, religious traditions seem to have counteracted the intrusion of National Socialist ideas. The majority of the pro group (55 percent) had attended secondary schools; only one-quarter reported that they went merely to elementary schools. On the other hand, two-thirds of the anti group went only to elementary schools and less than one-fifth reported attendance at secondary schools.

Thus when the researcher dealt with a member of the total group who belonged to the upper age bracket, came from the family of a manual worker, and had received only an elementary education, the chances were more than two to one that he would be found to be an "anti." On the other hand, the chances were equally high that the "pro" classification would apply to a member of the total group who belonged to the younger age bracket, came from a white-collar family, and had attended secondary school. On the whole, the school background seems to have been more decisive for the development of pro-Nazi attitudes than the parental home. Among the children of manual workers, favorable attitudes toward National Socialism were found for 5 out of 7 who went to secondary schools, but for only 8 out of 26 who did not go beyond elementary school. Among the children of white-collar families, on the other hand, 7 out of 9 who had only

an elementary-school education belonged to the anti group, but only 7 out of 23 who attended secondary schools escaped Nazism.

Rejection of the National Socialist system, sometimes amounting to a pronounced hostility, resulted from a series of circumstances, influences, and experiences. Some members of the anti group were persons who were temperamentally unable to adapt to the cult of militaristic virtues. Some of the oldest members of the group had been in contact with the Social Democratic "Red Falcon" organization, or with some Christian organization for children, and had been strongly influenced by their life in these "communities." Others had encountered, as apprentices, the old traditions of the trade unions, and had been influenced by the anti-Nazi attitudes of their older coworkers. Parental influence was also a significant factor. Out of 30 parents who were themselves opposed to Hitler, 22 succeeded in preventing their children from accepting Nazi ideas. Of these parents who influenced their children toward anti-Nazism, 14 were of Social Democratic orientation, and 3 were Catholic, the remainder being unidentified; of the parents whose anti attitudes were not accepted by their children, 6 were Social Democrats and 2 were Catholic. Finally, a particularly strong factor in developing hostile attitudes toward National Socialism was early experience of its excesses. As children or adolescents many of the anti group had witnessed Nazi acts of violence or had seen members of their own families threatened and persecuted. To mention but the extreme cases, 4 of them reported that members of their families had been in concentration camps, either because they had been trade-union officials and Social Democrats or because they had disobeyed Hitler's orders as Catholics.

Almost one-third of the anti group was involved at various times in activities that ran counter to the Hitler system and thus challenged the Gestapo. Such acts of resistance ranged from listening to "enemy broadcasts" in "aggravating circumstances" to participation in the activities of groups belonging to the Social Democratic or Catholic underground. Some were provoked

into active opposition by instances of brutality witnessed in the army.

In the pro group the majority were uncritical followers rather than active proponents of Hitler's system, and not everyone who was classified as pro had remained National Socialist to the end. A few of the older members of the group had renounced their youthful enthusiasm for Nazism even before the war, and a considerable number, 17 out of the 45, had started to doubt Nazism during the war, whether because they had seen their comrades shot for "derogating remarks against the Führer" and similar "crimes," or because they observed the practices of the Gestapo in occupied countries. Only 10 appeared to have remained "true to the end" to National Socialism. Of those who sobered up earlier, at least 5 turned actively against the regime and committed acts of resistance.

These findings do not, of course, permit of any broad generalization. But they do suggest that at least in our samples of labor students, National Socialism had largely disproved itself before its military collapse.

### III

Of the 88 individuals classified in the pro and anti groups, all but 9 experienced the collapse of the Third Reich as sailors or soldiers. Most of them had to serve terms varying from several months to four years in Allied prison camps, a number of them under the extremely harsh conditions of the camps in Siberia or French Morocco. Their return to the destroyed and ruined country brought these men new hardships. Only a few of those who had held offices in the Hitler Youth indicated that they were subjected to denazification procedures, with attendant imprisonment for a short period and disqualification for a career with the administration. But even without such a handicap the problem of gaining a basis for a civilian existence was, for the great majority, a difficult and sometimes desperate affair.

Some evidence of this is contained in the shifts that occurred

between pre-1945 vocational training or experience and the occupations held in the postwar period. While some returned to their old occupations, many changed their vocational category. Three basic categories of gainfully employed persons were used for this analysis: manual workers, office employees, and administrative officials. It was found that before 1945 the vocational distribution of the 88 individuals was as follows: 48 percent had been manual workers or apprentices in a manual occupation; 32 percent had been office employees or apprentices; and 20 percent, who had been in attendance at secondary schools, could be assumed to be preparing themselves for a career as administrative officials or its equivalent in a technical or professional field. In 1954, at the time of the investigation, the picture had somewhat changed: 47 percent were manual workers, 37 percent office employees, and 16 percent administrative officials (of whom nearly half were professional trade-union officials).

These figures, however, do not reveal the full extent of the interchange between the three vocational strata. A number of those who were working in factories or offices before 1945 were doing so as part of their training for a higher technical career, and if this fact is taken into consideration we find that by 1954 only 43 percent remained in their original vocational sphere; 16 percent had moved from the stratum of manual workers into that of office employees or administrative officials; and 41 percent held manual or office jobs although they had formerly been engaged in a "higher" career, or had been preparing themselves for one.

In view of these substantial shifts, it does not come as a surprise that most of these individuals had left the vocational stratum of their fathers. Only 43 percent had not done so, while more than 25 percent had moved from the stratum of manual workers to that of office employees, or from office employees to administrative officials. Thus, in terms of traditional German status considerations, more than 25 percent had moved into a higher stratum than that of their fathers, and 31 percent had wound up in a lower stratum. Such shifts are characteristic of the increased

social mobility brought about in Germany by the war and the political collapse.

How were the pro and anti groups separately affected by these vocational changes? The anti group was relatively stable; no more than 42 percent of its members had changed their original vocational stratum, with half of these having shifted from manual labor to the stratum of office employees or administrative officials, the other half moving in the opposite direction. Among the members of the pro group, however, only 29 percent remained in their original vocational stratum; one-fifth of the remainder had advanced themselves, and four-fifths had wound up in an occupation beneath their original expectations.

Largely, these drastic differences spring from the original composition of the two groups. Most members of the anti group were workers before 1945, and thus belonged to a stratum which, on the whole, remained relatively stable (of 31 workers within the two groups, 21 remained in that stratum). More than half of the pro group, on the other hand, had had a secondary-school education, and for almost all of these the events of 1945 ruined the chances of reaching their original vocational goal (of the 34 former secondary-school students within the two groups, only 5 became administrative officials).

Occupational reorientations were only a part of the adaptations required of these young labor students in their attempts to adapt themselves to a radically changed society. Many of them had to develop new orientations in other respects as well, for their whole picture of the social world had suddenly collapsed, necessitating the painful construction of a new one into which even the fragments of their old orientations did not fit. All this occurred under heavy psychological pressures, which often seemed as burdensome as the physical dangers, deprivations, and sufferings to which they had been exposed in the army, in the war hospitals, and in the prison camps.

Many of the crucial experiences undergone by these labor students were common fate, such as the inhumanities of life in

Hitler's armies, the brutalities of total war. Other blows fell indiscriminately upon individuals, such as being severely wounded, losing relatives either in combat or at home during air raids. Still others were shared experiences arising from accidental groupings, like being detached to certain prison camps. To these were added the experiences that sprang from political attitudes. Those who opposed Hitler lived a frustrated and isolated life before 1945; three-fifths of them told of difficult situations and critical experiences during the time of National Socialism. And among those who followed Hitler, three-fifths reported personal difficulties at the end of the war and afterward. Psychologically hit hardest were those who believed in Hitler throughout the war; for them, truly, "a world collapsed," especially since they were simultaneously forced to realize that their allegiance had been misused by those whom they had served in good faith. Several signs indicate that many members of both groups, but especially of the pro group, lived through a prolonged personal crisis in which their personalities changed considerably. For many former admirers of Hitler the abandonment of National Socialism was not simply a matter of shedding the Nazi ideology and replacing it by a democratic ideology as introduced by the Western allies. Rather, it was a matter of a personal metamorphosis which went deeper than any change of political or ideological orientations.

These experiences and inner crises had a strong influence on the manner in which the members of the two groups tried to integrate themselves into the largely disrupted economic and social life of their country. The finding of a new vocational basis was often more than a material concern. It was also a way of dealing with inner difficulties in a new situation. Of the 88 members of the two groups, 19 chose extremely heavy occupations, becoming agricultural workers, construction workers, miners, and quarry workers; of these, 10 had had a secondary-school education, 3 had been office employees, and the others had learned a skilled trade. But while the desperate situation of the first postwar years may have contributed to these decisions, it is of some interest that 12

of these 19 were in the pro group, and that most of them remained in their heavy-labor occupation. In contrast to most of the 7 members of the anti group who shared their occupational choice, they did not come from the Eastern parts of Germany, and thus were not acting under the extra pressure of the refugee situation. Some of the pros who became miners made it clear that this choice of heavy manual labor was their reaction to the collapse of the country, their way out of a severe psychological crisis in which they had to counteract their personal despair by a drastic decision.

Between 1945 and 1948 the members of the originally opposite groups moved toward each other on the plane of a common interest in the newly emerging trade unions. Almost all members of both groups joined a trade union prior to the German currency reform, or shortly after their return from war or prison camp, though they did it in different ways. The majority of the anti group decided without hesitation to take this step, often recognizing that it would enable them to help rebuild a different Germany; their opposition to Hitler had more or less prepared them for trade-union activity. In contrast, the great majority of the pro group, though also identifying themselves with the trade unions, were rather reluctant to do so, having a great distrust of all organizations.

This diffidence was characteristic of both groups in their immediate postwar attitudes toward political affairs. Only a few members of either group threw themselves into political activities. Even those who had opposed Hitler throughout were inclined to resist all attempts to involve them in any kind of new political "movement." "Without me" was the slogan of the antis as well as of the pros. Thus less than half the members of the anti group reported any kind of political interest in the first postwar years, and only one sixth of the pro group did so. It seems that, for many, an understanding of the necessity for trade unions sprang directly from occupational and material problems, while politics, under the sign of the occupation regimes, remained a nebulous or fruitless affair.

## IV

As a result of their common experiences and common interests, the two groups, formerly so different, tended toward considerable similarity by the time of the investigation. Then, in 1954, both showed a greater interest in political matters, and evidenced an appreciation of the principles of democracy, as applied to the unions as well as to the political community. In both groups, however, a sizable minority still tended to concentrate exclusively on trade-union affairs. And no longer did either group show any disposition to accept the trade unions uncritically: both were aware of certain weaknesses in the leading older circles, and also of the relative indifference of the great masses in the rank-and-file.

But what were their more general orientations nearly a decade after the end of the war? What were the basic attitudes of these young men and women toward themselves and their world? With full realization of the pitfalls entailed in this kind of analysis, an attempt was made to evaluate the source material with these important questions in mind. And here, too, it was found that at the time of the investigation there was little difference between the two groups.

Many experts believe that the younger generations in present-day Germany have abandoned all ideological or idealistic orientations, and confine themselves to a factual-pragmatic outlook. Surface impressions confirm this to a considerable degree. But the results of the present investigation indicate that there are other orientations behind this factuality and sobriety. Most of all, the motivations for these attitudes seem not to be mere considerations of efficiency and expediency.

The attempt to ascertain the guiding orientations characteristic of these labor students indicated that only 15 could be described as basically factual-pragmatic. These 15 were not only "matter of fact" in regard to practical affairs, but in general adhered to "down to earth" attitudes, apparently devoid of idealistic embellishments; in so far as they formulated their aims, they confined themselves to demanding material improvements and economic

gains. Twice as many were found to have the opposite attitude; these 30 students laid no stress whatever on matters of material welfare, and gave every evidence that their motivations were basically idealistic. The remaining 43 occupied the middle ground between the two extremes, displaying factual-pragmatic attitudes but not as a "philosophy of life"; their "factual" orientations were combined with others which lent a higher justification to activities seemingly aimed only toward material welfare.

Thus more than four-fifths of the 88 students revealed, in greater or lesser degree, an idealistic motivation, a characteristic that showed no significant relationship with earlier attitudes toward Nazism. These 73, even in their present preoccupation with study, were not merely seeking the factual information needed for successful activity on behalf of the trade unions; for them, this goal was combined with a yearning for *Bildung*, for an understanding of the larger social context and of cultural values. Factual knowledge, while recognized as necessary, was seen as only a means for higher goals—for the improvement of the human as well as the material conditions of workers in general.

No evidence could be found, however, of any pronounced *Weltanschauung*—except possibly in one isolated Marxist and in a few Catholics, who emphatically presented their religious convictions as a *Weltanschauung*. What, then, was the nature of the orientations found among these 73 students characterized as in some measure "idealistic"?

Aside from minor exceptions they were not active proponents of full-fledged ideologies. Their experience of National Socialism had taught them that ideologies have terrifying consequences when uncompromisingly put into practice. Thus they consciously confined themselves to selected guiding principles, like the "idea of justice" or the "ideal of democracy."

In part, these guiding principles were acquired from the old democratic labor ideology and expressed "the spirit of labor." In part, they sprang from newer orientations that spread after the war in Western Germany, either under the influence of Ameri-

can democratic conceptions or in the wake of industrial codetermination. Some of them were what might be called humanist in character, manifesting an emphasis on human dignity and a desire to change the lot of "working humanity" or to serve mankind. Some were clearly of a religious derivation. But whatever their source or their specific application, these "guiding principles" were predominantly ethical in character. In fact, nearly three-fourths of this group of 73 students manifested a basically ethical attitude toward life; this characteristic was dominant within the whole configuration of basic orientations, and seemed to be, for many, the most important component of their general outlook.

These ethical orientations took several directions. Some of the students revealed them in a tendency to pass moral judgment on the conduct of others. Numerically more significant were those who tended toward a moral and ethical appraisal of social situations and institutions, either through an ethical critique of society or by insisting on ethical principles according to which social life ought to be regulated. But the great majority of those who revealed ethical orientations were characterized by general altruistic attitudes rather than by a tendency toward moral judgments or abstract ethical ideas; this was evident, for example, in their desires to help specific groups of people, such as the workers in the factory in which they were employed, or in ideas of achieving solidarity with the trade-union movement or with working people in general, or in still broader ideas of helping "suffering mankind" or displaying compassion for one's neighbor, and similar direct formulations of Christian principles. Most of the proponents of ethical orientations felt personally obliged to engage themselves for others, and especially to help those who were not equipped to cope successfully with the problems of spiritual and material survival in a competitive society.

Thus these labor students displayed a conspicuously different spirit from that which prevailed in the German labor movement before 1933. A fixation on ultimate *Weltanschauungen* or on older ideologies, as such, was rarely encountered, and was often

expressly rejected. Instead there was evidence of a strong ethical sensitivity with regard to all kinds of personal and social injustices, a growing sentiment for human dignity, and most of all a conviction that man has obligations toward his fellowmen. All this was couched not so much in terms of theories as in terms of a primary and central aspect of human life, apparently not in need of ideological justification.

As for the specifically religious orientations of these labor students, only 8 of them expressly distanced themselves from churches and religion. Only one of these rejected Christianity for what might be called ideological reasons; three reported that they had lost their religious beliefs after extremely hard experiences in combat or in prison camps; two merely stated that they had left their churches; the two others came from families that seem to have been dominated by a zealous religious atmosphere, and reported that they lost their religious interest in a protest against such pressures. These 8 also differed from the majority in their greater tendency toward purely factual-pragmatic orientations and their lack of humanist views.

One-third of the total, 29 out of 88, manifested a positive religious interest. In this as well as in other respects our findings are based on information that was volunteered, and it is possible that others of the students had positive attitudes toward religion which, however, they did not make known. In any case, those who voiced their religious orientations formed a subgroup that differed in some respects from the remainder of our students.

Two-thirds of this religious subgroup were younger than 30. Somewhat more than half came from white-collar or old middle-class families, and had studied at secondary schools. And again two-thirds were themselves in the strata of white-collar occupations. The majority were members of the anti group; in fact, half of those who had actively resisted National Socialism are included. On the other hand, those of the pro group who displayed positive religious orientations had been, for the most part, outspoken followers of Hitler, even though only three of them

remained faithful to him throughout. And of the 5 members of the pro group who committed acts of resistance during the war, 3 are included in the religious subgroup.

The religious attitudes of this subgroup were expressed in various ways. Some, though not actively participating in church affairs, paid tribute to the role played by the churches in education and life. Some stressed the importance of religious principles, derived either from the social-ethical teachings of Protestantism or from the social theory of the Catholic Church. Others spoke of the need for one's "own religion," or reported that severe experiences had led them to return to their original belief. Finally, there were some who reported about their lives as practicing Christians. As far as could be ascertained, these attitudes were shared equally by Protestants and Catholics.

These individuals with positive religious leanings differed greatly in regard to their participation in church life, regular church attendance, and fulfilment of other obligations and demands of the churches. Practically all of them, however, shared one basic attitude. Whether they were Protestants or Catholics, and whether or not they visited their church regularly, they all stressed that religion, for them, was also, or primarily, a personal obligation to behave toward one's fellowmen in everyday life in the ways prescribed by Christian ethics. This meant that in dealing with practical social problems, as well as in aspirations toward social changes, they felt an obligation to take a position in accordance with Christian principles. In general, the religious subgroup displayed almost no signs of traditional ideological leanings. One-third of them, however, gave evidence of humanist attitudes, and ethical orientations were strongly represented. Thus it was largely the individuals in this religious subgroup who were responsible for the scant importance, among the students as a whole, of factual-pragmatic attitudes, on the one hand, and traditional ideological orientations, on the other.

Unfortunately our data do not allow us to reconstruct the religious attitudes of our labor students during the Hitler period.

They do indicate, however, that religious orientations, or at least dispositions, played a role in the resistance to Hitler's ideas. They also make it appear likely that outspoken adherents of Hitler sought refuge in religion after the collapse, and attempted to restructure their personal lives around a rediscovered religious belief.

## v

As regards social-economic attitudes, there is no evidence that our 88 labor students were conservative in the sense of being satisfied with the social order as slowly developed in West Germany after 1945. At least they all subscribed to the social demands advanced by their Trade Union Federation. Not all, however, were equally "progressive"—a designation that may be reserved for the 35 individuals who made it clear that they had their own opinions regarding the trade-union demands, and that they often deviated from those demands, or went further.

On the whole, these 35 "progressive" labor students were more strongly inclined toward humanist views and a sense of ethical obligations than the remaining majority. In social background and education they were scarcely different from the rest. Within the group, however, there were strong differences between those who thought in traditional terms and those who concentrated on newer ideas. The 16 who remained in the vicinity of traditional notions of workers' class interests came predominantly from families of manual workers, and went only to elementary schools. On the other hand, the remaining 19, who tended toward newer ideas concerning codetermination and economic democracy, came mostly from middle-class and white-collar families, and many of them had received a higher education.

Almost all of those who advanced traditional-progressive ideas—14 out of 16—made the "worker population" (*Arbeiterschaft*) their basic frame of reference, though the term "class" was seldom used. The "class" orientation was predominantly based not on class ideology but on moral protest and ethical convictions, often

in connection with personal experiences in factories and workshops; in several cases it was an expression of a radical Catholic orientation. Only in a few instances was there a focus on traditional socialist convictions. Thus in the subgroup of 16 who adhered to traditional labor ideas there were 7 who spoke of "socialism," but only 3 of them did so in connection with Marxist concepts; the other 4 combined socialist orientations with ethical or religious leanings, one of them stating explicitly "I am socialist out of Christian responsibility." Altogether, only 5 expressed specifically Marxist notions, such as an emphasis on economic factors or on the dominant role of class antagonisms in society. Only 2 of these 5 presented a more or less coherent theory along Marxist lines, and one of these was actually a humanistic idealist, Marxist only in the sense that he did not believe his ideals could be realized "until society is thoroughly changed"; the second one, a Marxist in the old Western sense, was completely isolated among his costudents and reported that he found no response among his coworkers at home. All of these displayed a strong anti-communist attitude.

In short, only a few of the 16 labor students who expressed their progressivism in traditional garb did so in the spirit of the old labor movement. Those who came from workers' families tended to use terms they had learned from their Social Democratic parents in order to express convictions which themselves were at variance with the traditional Social Democratic ideology.

The viewpoints of those who rejected traditional orientations differed in many details, but they were overwhelmingly linked to humanist attitudes and, again, most of all to ethical convictions. A considerable number of these students were directly opposed to old-line socialist orientations, and especially to Marxist conceptions; some of them may never have bothered to acquaint themselves with the basic theories of the Marxist system, but in individual cases the rejection was the result of rather intense study of Marxist theories. Many of those who exclusively concentrated on ideas of codetermination and economic democracy expressed

the conviction that a basic change of social structure was a precondition for the realization of their aims, or that the realization of these aims would result in a basic change of social structure. In this respect they were no less "radical" than those who spoke of "socialism."

A considerable number of the labor students who displayed religious orientations were convinced also that their society was in need of thorough changes. All in all, 18 combined religious and "progressive" views; this figure represents about two-thirds of those who manifested religious convictions, and slightly more than half of those who spoke about the necessity of a basic change of the social structure. Protestants and Catholics participated rather equally in this combination of religious and "progressive" orientations. While they represented all variations of religious orientations, the picture was dominated by those who expressed relatively strong religious beliefs or were faithful members of their churches.

Most of these 18 came from white-collar and middle-class families, and had attended secondary schools. A rather high proportion of them had opposed Hitler. In their biographies many of them told of especially severe experiences before the collapse of 1945, or even after it. As regards their vocational development they had been much shaken up; at the time of the investigation two-thirds of them were office employees or administrative officials.

Only 5 of those who combined religious and "progressive" views expressed themselves in traditional terms, the other 13 adhering to newer ideas of codetermination and economic democracy. Thus the group that was characterized by non-traditional ideas concerning a change of society was predominantly made up of individuals who held religious convictions.

## VI

The findings of the present investigation concerning distributions and combinations of certain traits are of course limited to the group studied. At least a tentative estimate may be ventured, however, as to their possible wider relevance.

The members of this group are part of a generation that amounts to roughly 7.5 million people. Of these, the majority are gainfully employed, and if local investigations can be trusted, approximately 1.2 million of them are members of the trade unions. No data are available on the number of persons in this age group who occupy trade-union or shop-steward positions, but they must amount to tens of thousands. The members of our group were drawn from the foremost ranks of these. They are part of a young labor elite, and undoubtedly stand for more than themselves.

It cannot, of course, be asserted that they express the orientations of tens of thousands of young trade-union officials, and still less that they represent the million and more of rank-and-file. But they are in the position of opinion leaders, and it would be strange if they had no influence on the orientations of large numbers of trade-union members and workers, especially of their own generation. It may even be that they represent orientations and basic attitudes that exist, at least as tendencies and currents, within the whole stratum of active trade-union members of their age group, a stratum which, to the outside observer, seems particularly inarticulate.

But be this as it may, their importance rests not solely in their present functions and influences. The potentialities of this young elite are unique, as far as German labor is concerned. The particular circumstances of German development since 1945 have allowed them to move in great numbers into a vastly expanding trade-union apparatus which, under traditional conditions, would be dominated from top to bottom by older men, even by old men. They helped to build this giant machine, which represents easily the largest single democratic force in the country. By now they are securely entrenched. Thus they have not only staked their claim to future leadership, but have achieved positions that will allow them to assert it. It may be expected that their conceptions and aims will sooner or later become factors in the formation of the general policies of the West German trade unions.

# CONTRACT PRODUCTION IN UNDERDEVELOPED COUNTRIES

*A Problem in Industrial Organization*

BY FELICIA J. DEYRUP

IMPLICIT in the problem of promoting the development of the economically underdeveloped countries of the world is the fact that the kind of activity that results in substantial commercial and industrial growth is an extraordinarily hazardous task.<sup>1</sup> This, rather than essential conservatism or lack of initiative, explains the persistence in these countries of antiquated modes of production and distribution. The function of the entrepreneur, risk-taking, is of course accepted by businessmen in all societies. But few responsible businessmen anywhere are eager to undertake extreme risks such as are almost unavoidable if radically new kinds of economic activity, which themselves may bring about basic economic and social change, are introduced.

Because it is recognized that great risk attends new kinds of business ventures in societies undergoing rapid economic change, many students of development place emphasis on government as the agent primarily responsible for promoting growth. Whether the government be that of the underdeveloped country in question, of another country, like the United States, or of a supranational organization, like the United Nations, it is generally assumed that it can, for the sake of achieving certain social, economic, and political goals, bear risks that are so great in purely economic terms as to be prohibitive to the private businessman. This also explains in part the willingness, if not eagerness, of underdeveloped countries to attract foreign capital, despite

<sup>1</sup> See Henry G. Aubrey, "Investment Decisions in Underdeveloped Countries," in National Bureau of Economic Research, *Capital Formation and Economic Growth* (Princeton 1956).

their fears of resulting economic commitments that might impair their political independence.

The recognition of the extreme risk attendant on development also explains why on the one hand atypical forms of enterprise, such as cooperatives and public corporations, and on the other hand small business units are finding increasing favor with development experts. Some countries, indeed, have learned from bitter experience that the effectiveness of development schemes may be closely correlated with size and type of enterprise. Thus Ceylon has retreated from the promotion of large-scale industry to the promotion of small-scale industry, and India, following the recommendations of Ford Foundation experts, is trying to foster the growth of small productive units, in part through a system of public and private contracting and subcontracting.<sup>2</sup>

Yet while it is generally admitted, either explicitly or implicitly, that private businessmen face abnormally heavy risks from basic development, there has been inadequate analysis of the forms of business organization and the processes of industrial and commercial life which are best adapted to rapid change. Advocates of cooperatives who find that that type of enterprise can take root in a stony soil have not inquired very carefully why this is so. Advocates of small business units assume that small size, *per se*, means adaptability. Advocates of government corporations or government subsidy programs see strength in the greater funds thus made available, without considering carefully whether such funds are more than a temporary aid to economic change.

It is the object of this paper to stress the importance of more detailed examination of industrial organization in underdeveloped countries, particularly the ways in which industrial organization is altered as businessmen struggle to adjust their methods and scale of operations to basic changes in the economic and social environment. To simplify this problem the discussion will be confined to one element in the industrial organization of underdeveloped countries, contract production. The role of this type

<sup>2</sup> See United Nations, *Economic Survey of Asia and the Far East* (1954) p. 19.

of production in highly industrialized economies, while also of great interest, presents very different problems, and will not here be dealt with. Rather, an attempt will be made to show how contract production operates as an agent of economic growth, aiding firms to survive in the unfavorable climate of rapid change, and how, once change has occurred, it declines in importance, persisting for other reasons not primarily associated with economic growth. Examples will be drawn from the exceedingly sparse references to contract production in the current literature of economic development, and from the somewhat more revealing record of economic history. It is recognized, of course, that any definitive appraisal of this feature of industrial organization must await detailed research.

## I

There is ample evidence that contract production, including its many variants, has characteristically been associated with rapid economic change. In mediaeval Italy, in eighteenth-century England, in the early phases of the industrialization of the United States and Western Europe, in Japan during the nineteenth and twentieth centuries, it appeared with a regularity that is truly remarkable.<sup>3</sup> It has also been conspicuous in specific industries that are in process of rapid change—for example in the early American small-arms industry and the early American automobile industry.<sup>4</sup> Even after a high degree of industrialization has been

<sup>3</sup> See J. H. Clapham, *The Economic Development of France and Germany, 1815-1914*, 4th ed. (Cambridge, Eng., 1936); Victor S. Clark, *History of Manufactures in the United States*, reprint of 1929 ed. (New York 1949); N. S. B. Gras, *Industrial Evolution* (Cambridge, Mass., 1930); Peter I. Lyashchenko, *History of the National Economy of Russia*, tr. by L. M. Herman (New York 1949); John E. Orchard, *Japan's Economic Position* (New York 1930); Raymond de Roover, *The Medici Bank* (New York 1948); Edgar Salin, "Origins of Modern Business Enterprise," in *Journal of Economic History* (Fall 1952); A. P. Usher, *An Introduction to the Industrial History of England* (Boston 1920).

<sup>4</sup> See John Buttrick, "The Inside Contract System," in *Journal of Economic History* (Summer 1952); Ralph C. Epstein, *The Automobile Industry* (Chicago 1928); Lawrence H. Seltzer, *A Financial History of the American Automobile Industry* (Boston 1928).

reached, it is common where entrepreneurial risks are extreme, as in the garment and airplane industries. And it is an outstanding feature of every war economy. Among underdeveloped countries it appears not only in those that are undergoing the earliest stages of industrialization, such as Indonesia, Burma, Thailand, Ceylon, but also in those that have achieved a substantial degree of industrialization, such as India and Argentina.<sup>5</sup>

The omnipresence of contract production in conditions of rapid economic change leads logically to the question whether it is a result of change or a causal factor in change. The empirical evidence, fragmentary at best, suggests that, like so many social and economic phenomena, it is at once cause and effect: as a result of change, it can somehow survive in conditions of flux, and thus be available as an adaptive device for entrepreneurs whose activities promote further economic change. And thus the further question arises: what gives contract production this particular viability in an economic environment that is rapidly being transformed?

When an economy begins to undergo basic transformation, entrepreneurs in affected industries frequently discover that a sharp rise has occurred in the demand for their products. Their reaction to this depends on their estimate of the future course of change. If demand appears to be of a transient nature, they will try to make full use of their own facilities without involving themselves in long-lasting commitments. Thus they will add personnel, increase the length of time in which plants are in operation, by the use of two or more shifts, and buy parts or partly finished goods from other manufacturers for assembly in their own plants. So long as demand does not pass beyond a level met by these solutions, the manufacturers are reasonably protected from a sudden downward shift in demand, since they have not expanded their plants.

But if these expedients cannot cope with the level of demand,

<sup>5</sup> See United Nations, *Economic Survey of Asia and the Far East* (1954) pp. 14-19, and *Economic Survey of Latin America, 1949* (1951) p. 177.

the manufacturer must consider either expansion of plant—adding machinery and reorganizing the system of operations—or contracting with other manufacturers for goods to be delivered over a specified period of time. The superiority of the latter solution is obvious. The manufacturer who initiates such contracts—henceforth referred to in this paper as the initiating entrepreneur<sup>6</sup>—commits himself only for the life of the contract, whereas if he expanded his plant he would increase his scale of operations for the indefinite future. If the market suddenly collapses the initiating entrepreneur simply severs the ties with his contractors upon completion of the contracts, and all parties return to their earlier mode of production. It is this flexibility which makes contract production so appropriate both to the underdeveloped society in process of change, where contractors may be mere family units, and to the advanced economy in the uncertainties of wartime production, where contractors may be multimillion-dollar corporations.

Furthermore, contract production, valuable wherever rapid change is taking place, can be especially useful in underdeveloped countries, where capital is scarce and mobilized with difficulty. By using this device a producer can substitute for scarce capital a reorganization of his production methods, thereby availing himself of capital already invested and labor already employed by his contractors. This capital and labor, it is true, are employed in ways not perfectly appropriate for the manufacture of the product, else they would be used independently of the initiating entrepreneur who contracts for their services. But on this imperfect, experimental basis the initiating entrepreneur is given an opportunity to gauge the advantages of large-scale production with the help of contractors, against the advantages of a smaller scale of production by use of his own resources alone.

<sup>6</sup> The term "initiating entrepreneur" is used only for convenience to differentiate this entrepreneur from his contractors. Though in periods of rapid economic development certain particularly resourceful initiating entrepreneurs may represent a variety within the species of Schumpeter's "innovating entrepreneur," no claims are made as to the theoretical importance of these entrepreneurs as a group.

These are the basic reasons why contract production is a particularly valuable institution for manufacturers engaged in the dangerous process of expanding in a rapidly changing economy. But, as has been mentioned, this type of production is also a significant force in initiating economic change. This may best be demonstrated by noting certain outstanding characteristics of an underdeveloped society—or more accurately, a society stabilized at a level of pre-industrial production—and observing how the contract system proceeds through gradual and even apparently unimportant processes to bring about revolutionary changes in the fabric of the economy.

It is well known that everywhere business and market information loses its reliability as it radiates out from its centers. This tendency is greatly intensified in underdeveloped countries, because of the low level of literacy and the inadequacy of communication facilities. Some entrepreneurs, however, are better informed than others, and when these negotiate contracts with those less favorably placed to receive market information, the result is an expansion in overall economic activity. Closely related to this factor is the capacity of contract production to overcome inertia caused by extreme caution. The more daring entrepreneurs will negotiate contracts with the less daring, who might not otherwise expand their production. The risk to the latter is relatively slight, while for the initiating entrepreneurs the risk is limited by the short duration of the contracts.

Contract production can also be particularly helpful in stimulating the flow of credit and capital in an otherwise arid area. Foreign capital and government funds are usually unavailable for the local entrepreneur producing for the local market. Security markets, with some exceptions, are nonexistent. Banks may be reluctant to extend credit to such enterprises, and certainly the traditional money lender is not a hopeful source of funds. But the modest accumulations of capital that are built up by ambitious entrepreneurs may be used to outfit contractors with necessary raw materials, or to give them advance payments so that they may

expand their facilities sufficiently to carry out their contracts. Quite possibly other domestic accumulations of capital, which normally are invested in land or abroad, can be encouraged to enter those industries in which obviously practical devices for expansion, such as contract production, are used.

The development of an industrialized labor force may be greatly facilitated by contract production. The initiating entrepreneur who negotiates with many tiny shops can leave to the individual proprietor of each shop the problem of expanding and training his own work force. Thus the small shop may carry on, rather painlessly, indoctrination in the modern working habits that make up much of factory routine. By this means not only the unskilled worker but also the highly skilled craftsman, who may be equally in need of new orientations, are educated for later work in more highly integrated plants. A vast number of personnel and plant-organization problems, which are usually part of the daily life of factory production, can be delegated, through contract production, to the individual contractors.

Thus contract production has potentialities for making an important contribution in economies that are going through the early stages of industrialization. This does not, of course, imply that in these countries the system as such will always produce the advantages of which it is capable. In India, for example, it has persisted for decades in very undesirable forms,<sup>7</sup> without contributing substantially to economic growth. But contract production appears to have met in the past, and to be generally meeting at present, some of the most serious problems of rapid industrial expansion, and in many areas its further extension would doubtless aid economic change appreciably.

## II

But while contract production is of enormous value during certain stages of development, there are economic factors that cause it to decline in value as the underdeveloped country proceeds to-

<sup>7</sup> See Vera Anstey, *The Economic Development of India* (London 1936) p. 107.

ward higher levels of industrialization.<sup>8</sup> What are these economic factors that eventually serve to limit its usefulness as a tool for development? They are of several kinds, and will be briefly outlined below, but they may be summed up simply as an increase in the specialized functions of the economy, with the result that the contract system can no longer compete so successfully with other means of organization of production.

In the first place, changes in costs and prices may diminish the usefulness of contract production. If demand develops according to the expectations of the initiating entrepreneur, sooner or later other entrepreneurs enter the field, competing for the services of the contractors as well as for the market. New contracts may be negotiated only on terms less favorable for the initiating entrepreneur than those formerly established. This may cause him to reconsider his entire scale and method of production. If he has prospered he may have some capital at his disposal, which he can invest by expanding his own plant, thus avoiding future struggles with his contractors over prices. He may hire the workers of his contractors, and even the contractors themselves, to man his expanded plant, thereby acquiring a labor force that has been at least partly trained for industrial production through the con-

<sup>8</sup> This does not contradict the importance of contract production in a highly industrialized country. As has already been mentioned, its role there is very different from its role in underdeveloped economies. In the latter it appears to be an almost invariably useful aid to economic growth, and remains so throughout the first stages of industrialization. In advanced countries, on the other hand, its value and hence its use waxes and wanes, with the result that in some periods it may disappear, only to be reintroduced later. The increasing overhead costs associated with industries like the automobile and airplane industries may lead to increased emphasis on contract production. If technical competence is widely distributed among producers and workers, contracting may be as efficient as any other type of production, but if technical standards rise faster than the general level of technical skill, special attention must be paid to inspection and contract production may become too costly. A new industry or a producer of a novelty may find that contract production solves the problems of building and equipping plants and assembling workers, at least for the short run. Finally, the value of contract production in a highly advanced economy may fluctuate according to the different phases of the business cycle as producers find it more or less desirable to depend completely on their own resources for production.

tract system. Or he may bring the contractors and their workers together into one plant, supervised by the entrepreneur's foremen and powered by his machinery; in this situation contract production, now an "inside" system, may survive for a time, but it is likely to have a short existence, for quite rapidly—partly in the interests of factory discipline, partly to prevent abuse of machinery, partly to improve quality of product—contractors and their workers alike become employees of the entrepreneur, directly paid by him for their services, not for the goods they produce.

Increased emphasis on quality production is another particularly significant cause for a decreased reliance on contract work, and is probably frequently tied to a rapidly rising level of technical achievement. So long as no great stress is laid on the quality of a product, the variations caused by manufacture under the diverse conditions of many independent plants are no disadvantage to sales. But once quality becomes an attribute seriously sought after by customers, contract production begins to labor under a handicap, and entrepreneurs who can control quality by complete manufacture on their own premises move to the forefront of the industry. This is particularly important where technical factors require that variations in the product be small, as in many of the metal-products industries. For a time contract production can continue under such conditions, if supported by a system of careful inspection, or if, as in the small workshops of Japan, it is carried on by machine tools, which by their very nature turn out uniform parts and products with relatively slight need for inspection. But any elaborate inspection system, though it may help in educating contractors and their workers to the finer requirements of industrial production, is rapidly outweighed in effectiveness by the cost of maintaining an adequate staff of qualified and incorruptible inspectors, either inside or outside the initiating entrepreneur's plant.

Fundamental alterations in the relative costs of the factors of production, combined with technological advance, may be another reason for the decline of contract production. In an underdeveloped

oped country, or in a new industry, capital is in short supply, while labor may be even too abundant. A plentiful supply of labor may discourage, rather than encourage, capital investment, through competing severely with it, and thus a state of handicraft production may be maintained indefinitely. But if by some means industrial development gains a foothold, investment opportunities will in time be sought by capital, either in the form of plowed-back profits or in the form of capital infusions from other fields or from other countries. As capital becomes more available, even abundant labor becomes a less successful competitor of capital. If, as is usually the case, development occurs in several industries at once, the wage level may rise and thereby hasten the process of substitution of capital for labor. The point at which machine production is widely substituted for hand production marks not merely an advance in technology, required to assure certain quality characteristics in the product, but also the point at which the serious competition of labor is successfully overcome by capital.

It is interesting to note, however, that while general changes in cost relationships percolate throughout a given country, their effects may not be felt uniformly in all parts of the economy. In Japan, for example, heavy investment in steel and chemicals exists side by side with contract production in small shops in bicycle and light metal-products manufacture and in some parts of the textile industry. Here the nature of the market, combined with the general low wage scale in the contract industries, apparently allows those industries to continue as what seems to be a permanent feature of an otherwise highly developed economy.

Increasingly abundant capital probably operates in another way to cause a decline in contract production. As has been noted, the system may have undoubted value where banks and other credit agencies are inadequate, since it provides credit, through advances from the initiating entrepreneur, for the contractors. But as industrialization proceeds, orthodox credit facilities develop, with vastly larger resources and greater expertness in judging risk, and contract production finally becomes incompetent to perform this

function. Small producers, more willing to take risks of expanded production as markets grow, no longer need to contract their production to an initiating entrepreneur who can finance them, but can easily expand on an independent basis through loans from financial institutions. Thus it seems probable that the competition of specialized financial agencies contributes to ending the usefulness of contract production.

In short, then, the very characteristics that make contract production so viable in the early stages of industrialization—its adaptability to unfavorable conditions and its lack of specialization of function—are likely to diminish its usefulness once it has aided in the initiation of thoroughgoing economic change. With imperfect human, managerial, physical, and financial resources, contract production can produce large quantities of goods of a quality and at a cost that are acceptable to the market in the early stages of industrial production. But when the first goals of industrialization have been reached, and further development demands a high-quality product, when mechanization becomes prevalent, when large amounts of capital and credit are both available and necessary, contract production is likely to collapse under unendurable competitive pressures. Only on the margins of production and in periods of temporary crisis may it then be expected to continue as an important element in economic growth. Even government support of the system, such as India's current effort to sustain small industry through contracts,<sup>9</sup> will probably give way in time as full-scale industrialization is achieved.

### III

Thus far this discussion has been limited to the economic implications of contract production—its advantages in the beginning stages of industrialization and its diminishing importance as industrialization advances. But what of its social implications? These exist in all stages of economic growth, and some of them must sooner or later demand a moral and political solution.

<sup>9</sup> See United Nations, *Economic Survey of Asia and the Far East* (1954) p. 19.

The most valuable of these social effects is the change in the attitudes of the entrepreneur to his work, to his customers, and to society as a whole, a composite change that may be briefly described as the development of the capitalist spirit, or the spirit of modern business enterprise. However much we may cherish the non-economic values of work and production in a pre-industrial society, there is no avoiding the fact that underdeveloped countries that want rapid economic growth must be prepared to foster the spirit as well as the techniques of capitalism, even though they may to some extent modify or curb their free expression through public policy.<sup>10</sup> Not to enter into a theoretical discussion of the capitalist spirit, we may note that one of its main ingredients is that rational, profit-and-loss outlook toward economic activity which may be simply labeled money consciousness. Contract production offers one way of developing money consciousness. The many small producers and craftsmen who are fused together into this system of production are in the process educated promptly and efficiently in the rudiments of a profit-oriented ideology.

In turn, the contractors educate their workers in the rudiments of the wage system and of production for a market that is much more demanding, at least in regard to the time element and the quantity of production expected, than that to which they were accustomed. The average size of contractors' plants is so small that it could hardly be claimed that contractors teach their workers more than the elements of factory discipline; nevertheless they prepare them, through technical training and change in outlook, for factory positions that become increasingly necessary in the later stages of industrial growth. Thus the problem of molding the villager or the tribal member to modern factory life can be decidedly eased where the contract system intervenes between traditional craft or village workshop production and factory production.

<sup>10</sup> See United Nations, Economic Commission for Asia and the Far East, *Mobilization of Domestic Capital Through Financial Institutions of the ECAFE Region* (1951) pp. 30-31.

These two processes of education—of the contract producers in the spirit of capitalism, and of the village or craft workers in non-craft work—are necessary steps in the building up of a body of managerial and production personnel capable of a high level of industrial activity. But they involve social costs that are perhaps unavoidably heavy, except in so far as special government intervention can somewhat reduce them.

While it is impossible to estimate the intangible losses resulting from the breakdown of village society and of the craft system of production, it is obvious that once a substantial portion of a population has been educated by the capitalist spirit to value the goals of a money economy, many formerly highly treasured values, including important ethical ones, will be cast aside. We cannot even take comfort in assuming that a new ethic or religion will appear as a substitute for old moral standards, operating, as Calvinism is held to have operated, to justify activity that could not be justified under the older order of production. Perhaps no replacements will be found for discarded values. In any event we may be very sure that industrialization will cause severe social stress in underdeveloped countries, and that anything that contributes to the speed of industrialization, specifically contract production, will contribute to the intensity of the stress. This is a cost that these countries must endure if they are to free the majority of their populations from grinding poverty.

One clearly predictable area in which the use of contract production in an underdeveloped country will cause serious strain is the field of social welfare. There is clear historical evidence that contractors have on the whole been more heedless of the welfare of their workers than any other group of employers. This is in part because they exist close to the margin of successful economic operation, in part because they fail to develop the sense of responsibility toward their workers which appears where market conditions are more stable. It is with this group of employers that government has most difficulty in applying protective labor legislation. An ominous example of the potentially socially

regressive nature of much contract production has occurred in recent years in Bolivian tin mines, where subcontracting was substituted for employment of workers on an ordinary wage basis; this was done in order that the companies might escape the obligations imposed by protective labor laws.<sup>11</sup>

Another undesirable aspect of contract production is its probable negative effect on trade-union growth. Underdeveloped countries are for the most part committed to increasing the welfare of labor; and in some of them organized labor, though quite different in structure and power from organized labor in industrialized countries, plays a political role of considerable importance. Contract shops, with their relatively high physical and industrial mobility, and their relatively small body of workers per firm, are traditionally hard to organize. For countries containing strong unions this may indeed be one of the aspects of contract production most difficult to accept.

A decline in the quality of goods turned out under contract production, as contrasted with those made under the craft system, may be expected. As production expands it leaves the village market, where customer and craftsman know each other and where social forces, to some extent at least, act as a form of quality control over the craftsman's product. The impersonal market of the city or the nation does not offer the same checks to the producer's desire to supply the cheapest goods possible for a given price. The only control is the inspection process of the initiating entrepreneur. When the product leaves the hands of the latter he too will sell with scant regard for quality. The final solution of this problem must be postponed until norms of quality and standardization, possibly promoted by consumers' cooperatives, are developed. It should not be overlooked, however, that the increase in the quantity of goods produced under the contract system must be offset against this decline in quality. On balance, consumers in underdeveloped countries would probably prefer

<sup>11</sup> United Nations, Technical Assistance Administration, *Report of the United Nations Mission of Technical Assistance to Bolivia* (1951) p. 94.

large supplies of inferior goods to small supplies of goods of high quality.

These appear to be the chief social effects of contract production—on the whole an undesirable group of phenomena, but for the most part unavoidable if this system is used, and to some extent unavoidable if any kind of industrial development takes place. In at least one respect government activity may soften the worst of these features, through special measures such as health and housing programs, and through concentrated attention to the social needs of contractors' employees. More perhaps no underdeveloped country is able to do, and even this much might fairly be regarded as a subsidy to contract production. Such special treatment would hardly be received with good grace by the rest of society, though it might be accepted in the interests of rapid economic growth.

This review of the economic and social characteristics of contract production warrants the conclusion that the system may be a most dynamic force in development but is, and should be recognized to be, of decreasing value in advancing industrialization. Its many shortcomings are necessarily of particular concern to those underdeveloped countries that are genuinely interested in the non-material as well as the material welfare of their populations. More detailed study of contract production in the entire context of the industrial organization of underdeveloped countries might give deeper insight into the fundamental processes of economic growth, and thus aid in increasing the likelihood of success of development programs.

# CITY PLANNING AND THE IDEA OF THE CITY

*Considerations Especially About New York*

BY HORACE M. KALLEN

NEW YORK CITY is the economic and cultural capital of the United States. What is done, thought, felt, said, sung, or worn in New York today becomes in the course of time the fashion in Chicago, New Orleans, San Francisco, and even Hollywood. With the best regional will, no other metropolitan center has, perhaps unfortunately, been able to set itself up as a rival to this great harbor city—at least not since the decline of Boston. The press, the theater, the sculptor, the painter, the author, and the musician, as well as the banker, the physician, the lawyer, the engineer, and the scientific investigator tend to concentrate in New York and in institutions domiciled within the metropolitan area of New York, with its millions of inhabitants, outnumbering the total population of many sovereign and independent states of Europe.

Large as the permanent population of the city is, the transient population seems proportionally as great. Indeed, it is said that not so many of those who work, and even fewer of those who play, in New York live there, and that those who live there are continually moving from section to section.

To keep physically healthy and safe, spiritually hopeful and active, to house, to feed, to entertain, to transport this vast population, and to educate its children, constitute the basic functions of the city. In the exercise of these functions the common enterprise of city life consists. They determine and direct the official duties of the city government, with its gigantic departments—water, sanitation, health and hospitals, police and fire, prisons, transportation, markets, parks and playgrounds, education. They establish the fixed charges on the income of the citizens, the payment of which

is the first purpose of the levying and collection of taxes and of the other bona fide financial transactions undertaken by the city's administrative officials.

Though certain of the city's functions affect the welfare of its region and even, on occasion, of the whole nation, its direct, immediate functions are services to its own citizens. They are not, however, services which the inhabitants of the city, permanent and transient, render to themselves. They are delegated to specialists, as many private as public. Housing, transportation, marketing are largely private services. But it is recognized that they are affected with a public interest and are more or less subject to public supervision and regulation. Sanitation, education, police and fire functions are acknowledged as altogether public services and are administered by public officers, elected or appointed.

Now New York is an American city, and, like all American cities, it differs from those in Europe in that it lacks the tradition of autonomous municipal life, such as London or Florence or Vienna or Paris carries down from the Middle Ages. Those cities began as sovereign and self-governing corporative entities, with the same powers and responsibilities as sovereign and independent states, including the making of war and peace. They embodied an Idea of the City which citizens could be, were, and continue to be loyal to. And when their status changed from practically independent sovereign civic individualities into cooperative units in larger national wholes, the Idea of the City survived and absorbed the alteration in status.

Not so with the American city. As compared with European, American cities are extremely recent. Their populations have changed too much and too rapidly, their cultural origins, backgrounds, and characters have been too diversified for the creation and upkeep of the type of municipal pride and municipal loyalty which are so signally parts of the civic inheritance of the citizens of European cities.

The character of modern social life exacerbates this condition. In the older world and in the smaller towns and villages of our times,

the expression "neighbor" was a geographical expression. Your neighbor was the family next door. Not so under modern urban forms of housing. In the large tenements and apartment houses of the great metropolitan city, people live next door to each other for years without ever meeting or speaking. The "neighbor" is defined by other conditions of association than geographical proximity. He is the person from your home town, your school or college mate, your fellow-worker in your trade or profession, your gymnasium or card-table partner, your fellow-barfly, and he may live at other ends of the town from you. You may live at a maximum of social distance from one fellow-citizen with no geographical distance whatever; and you may live at a maximum of geographical distance from another with the completest social intimacy. Rapid transit is among the forces that make possible these paradoxes of association. While they tend to inhibit personal interest in locality and in the conditions and controls of local life, while they lead one to leave it all to the landlord, to the district leader, or to the prevailing racketeer, they do not set up in the citizen any feeling for the larger aggregation on which they depend.

In these circumstances, what chance of survival and growth would there be for any Idea of the City, should a city-dweller have started in life with one? If he begins his career unequipped with such an Idea, the conditions of city life inhibit his acquiring one; if he acquires one, they prevent it from attaining a mature and well ordered form. His education is not such as to endow him with any apperceptive background for an Idea of the City. The community's prevailing modes of thought obstruct it, the prevailing modes of feeling repress it—with the consequence that the citizen lives in his city as a passenger rides in a taxi or a railroad train or a traveler lodges in a hotel. He commits his life, his fortunes, and his honor to the care of persons whom he does not know, in charge of machinery he does not understand and would be unable to manage if he were called upon to do so. Greater faith than this hath no man.

Less preparation, less training for living well under the immediate conditions and controls of life, is difficult to imagine. Remote though national affairs usually are from the modern city-dweller, he has a better idea of his country than of his city. However indirect their influence be on him, he has some notion of the structure, the functions, and the activities of national government. His education has equipped him with some apperceptive background for these things. But of his city as a living, going concern which affects his daily life immediately and directly during all the twenty-four hours of each and every day, he has neither ideal nor idea. He has not been equipped by his education for any participative relation whatever to the affairs of the city as a whole.

The one time when a citizen does pay attention to his city is when he feels the pressure of some specific maladjustments. And this pressure has to be extraordinary and dramatic. If it be chronic, he is likely to endure it rather than take the trouble to alleviate or correct it. For example, in terms of the nervous health, the emotional tone, the mood and the manners of the rank-and-file of New Yorkers, subway travel is both vicious and costly. Noise, dirt, and crowding have been proved to make people irritable and consequently bad-tempered and inconsiderate. But lacking a general Idea of the City, being without standardizing doctrine concerning the form and function of transportation and the relation of transportation to aspects of life other than taking people from this place to that, the citizen feels helpless with respect to the subways, does nothing about them, and vents on his fellow-citizens the irritability they engender by means of complaints about unrelated matters in unrelated fields. His deficiency in perspective is here characteristic. It is what makes of him a stranger in the city in which he lives and moves and has his being and for whose upkeep he pays his heavy taxes.

Indeed, the form and method of his taxation focalize the paradoxes of the citizen's position in the city. Most inhabitants of the city are not aware *that* they are taxed or *how* they are taxed.

They do not feel the pressure of having to pay, even in the limited sense in which pressure is imposed on them by the income tax of the state and the nation. The consequence is that they neither feel any concern about the expenditure of taxes nor have any idea, or evince any desire to discover, what is done with taxes, by whom, or in what manner. They do not even have the sort of feeling about the city that a taxi passenger or a Pullman rider or a hotel guest, who pays directly for what he receives, soon acquires about the vehicle he rides in or the hotel room he sleeps in. Even if he and his people have lived in the city for generations, the city-dweller is psychologically a stranger to its dynamics, a nonparticipant, who distinguishes the city from himself and himself from the city.

Thus the city—in particular the large city, of which New York is the archetype—comes to be felt and perceived not as the intimate home one lives in but as an external alien force, exercising a somewhat malicious and exploitative power over the citizens. This alien power is regarded as being enchanneled in the offices of government—the mayor, the councilman, the police, and, less directly, anything in uniform or with a badge, including the harassed rude subway guards and unharassed rude elevator boys. The citizen's attitude toward all embodies a little irritation, even anger, a little envy, and a great deal of still, sullen resentment. If he makes a distinction, it is between elective officials and the permanent municipal bureaucracy; and his feeling toward elective officials, merely because an election campaign brings these persons a little nearer to the consciousness of the citizens, is somewhat warmer and more intimate. But together the elective officials and the bureaucracy—those who inhabit and infest the public buildings, sit at the public desks, operate and control the public implements—become the actual personal incarnation of the city. The public mind, in fact, sets them over against the anonymous citizenry. When those say “the city” they mean nothing more than its government. To a certain degree a class war obtains between the citizens and this government analogous to the kind of conflict

that may be observed in schools and colleges between teachers and pupils.

Such an opposition is tantamount to a pathological split in the form of the civic personality. And it has other consequences.

Since the officers of municipal administration are detached and independent functionaries they become amenable, as they would not otherwise be, to influences themselves not civic at all. These influences, taken together, constitute the "invisible government" of the city. The struggle against this "invisible government" looks back to its exposure in such works as *The Shame of the Cities*, and still goes on, with varying success. But the influences that lead to it have been rather contained than eliminated.

At their front and dimly visible is the political machine. In New York this machine has been Tammany Hall, with its district and precinct leaders, its clubs, its other dependencies, and the like. These have acted as intermediaries between the city administration and the residual powers exercising "invisible government"—the great public-utilities corporations, certain trade unions, the contractors and builders, the criminals and racketeers. Together these, by means of the coercions they are enabled to direct upon the acknowledged administrative officials of municipal government, are able to exact from each and every citizen of the city a disproportionate tribute, embodied in taxes and other forms of tribute for every service, from the maintenance and cleaning of the streets, the management of subways and bus lines, the administration and use of hospitals, to the upkeep of libraries, parks, and schools. They are able to exact such tribute, and they have done so. In every direction a trend toward exploitation, expropriation, and graft has at times debauched the city, thus raising the cost of living for the average citizen and dangerously increasing the city's indebtedness. These consequences are contrary to the normal economic trends whereby, under honest and direct administration, the cost of living in large municipalities, in terms of services rendered and provided, is reduced, not increased. It is at least open to question whether the citizens of New York get as much

for their money as the citizens of London or Paris or any other great European city.

Offsetting, more or less, usually less, the structure of city government, visible and invisible, are the aggregate civic associations. These come into existence sporadically and arbitrarily, and die out in the same way. They are usually organized on the initiative of some public-spirited individual whose indignation has been aroused by the uncovering of some iniquity of government. Representative of them have been such groups as the Public School Association, the Park Association, the Prison Association, or the City Affairs Committee. In the same class with these we may count groups like the Chamber of Commerce, the Fifth Avenue Association, and similar areal organizations of interest. These latter seem in the first instance to have been organized with a view to securing certain benefits for their members. They develop in the course of time into instruments of defense and insurance against exploitative action by government, visible or invisible. Such associations may sometimes employ as secretaries, or in other capacities, professional students of city affairs. But basically and essentially they are amateurs, specializing on some single institution, function, or process in city life, without any idea of the city as a whole, without concern for the city as a whole, and without an adequate sense of consequences of their own activities on the city as a whole.

In addition to these voluntary civic and commercial associations, which purport to act in some degree as checks on the exploitative and disrupting activities of hidden and unhidden government, there is the check implicit in the power of the state over the city. Since this power is itself involved with municipal and other types of politics, and with their implications of invisible government, the check is not usually very strong. It is mostly effective when the ruling party in Albany is Republican, as opposed to the ostensible Democratism of Tammany Hall and its partners beyond Manhattan. Inasmuch as the ruling party has generally been Republican, Tammany politicians have for a long time agitated the idea of "home rule" for New York City. This is a pleasant

idea. It appeals to the sentiment approving independence and self-government which has been imparted to every citizen brought up in a democracy. It holds the allegiance of the great majority of the inhabitants of New York, on such habitual, purely sentimental grounds. They unthinkingly believe that "home rule" in New York City is self-rule. But as the municipal government is maintained and practiced, "home rule" is still not self-rule, but rule by invisible government through such agencies as Tammany, exercising its powers upon the visible government.

Although elsewhere in the land cities tend to nonpartisanship in elections, and model charters are being adopted—and implemented as may be—this is not the case with large cities, certainly not with New York City. Here the intervention of the state legislature may therefore be a double-edged sword. Party government being what it is, legislative intervention usually takes place for party advantage, and rarely for the good of the citizens of New York. The intervention which led to the investigation conducted by Samuel Seabury resulted in a graphic exposure of the structure of invisible government, and in a revelation of the incidence of power in the municipal business of New York City. It led to an election which to some degree deprived Tammany of control of elective officers. It brought to light many of the ways in which nefarious persons levy tribute on the citizens and the city through its institutions and agencies. It gave rise among more thoughtful sections of the city to a demand that the City Charter be revised.

Such a revision was undertaken. Yet it is clear that no matter how simple and direct the form of government devised for the city may ultimately be made, no matter how adequate may be the checks on incompetence, speculation, and betrayal, these must remain purely inoperative statutes and ordinances if a common will is not created and sustained to enforce them and to vindicate their validity. "Home rule" is usually disastrous where the majority in the "home" have no living realization of its problems and management and no intimate and vital participation in its "rule." Without such realization and participation, a Charter with com-

plete "home rule" would simply be a privilege to foes of the citizens.

This consideration concerning a participative and realizing relationship of the majority extends equally to city planning. Whatever the practice elsewhere and in limited areas of New York City, the concept of city planning for the city as a whole has hitherto been tangent and alien to considerations of this sort. The practice has been to make city planning a professional enterprise of architects and professional city planners, and an interest of a handful of sponsoring citizens. Yet it is obvious that no city plan can be a plan for the city unless it is psychologically assimilated and made a permanent part of his own vision of the city by each and every citizen.

Consequently, plan and Charter are inwardly related to one another, just as an individual's personality and his rules of conduct are inwardly related to one another. An endeavor toward city planning, whatever it be and whoever makes it, must not alone take cognizance of the physical form of the city, merely with a view to improving that form; it must also take cognizance of the specific spiritual intent of the city as an ideal and way of life. It must bring the two together in the form of a principle and program which can and must be taught to all citizens, in school and out. The plan for the city must be the Idea of the City as an enterprise of free men in the cooperative attainment of the good life by means of the best instrumentalities available to the modern industrial community. It must be made a part of the funded mentality of each and every citizen. He should be so saturated with it that it will determine always the pattern of all his actions, will define his attitudes on municipal problems, will embody and symbolize his moods and direct his conduct.

In a word, the Idea of the City is an articulate vision created by fusing together into a single organic concept city plan and city charter. It is the essential theme of civic education. It is the corpus of principles and program in whose light and by whose means the citizen of the city may accomplish the betterment of

its physical form and the recasting of his own psychological frame of mind, his attitudes and habits as a citizen.

Of the two—physical form and psychological frame of mind—the latter is the more important. First and last, cities are people—all else comes in between as links and tools of people—and people are psychological organisms conducting themselves in certain ways which determine the character and quality of their habitations. A slum is at first sight a physical condition. But in fact it is even more a state of mind. A farmhouse in the great open spaces can be as unkempt and disorderly as a cold-water tenement in a congested East Side. In the first instance it is people who make slums, not slums which make people. That comes later.

What creates the slum, the vicious circle of physical conditions and the attitude of the persons who dwell among them, is a configuration involving both. The streets of New York are far, far dirtier than the streets of Paris or London. This is not due solely to the fact that the streets are not so well paved or are narrower or not so carefully cleaned; on the contrary, they are better paved and wider, though perhaps more indifferently cleaned. It is due to the fact that the citizens of New York persist in dirty habits in public places. They make the dirt in which they live. And then, of course, the dirt makes them. Hence the abolition of the slum is not merely, and perhaps not in the first instance, the abolition of bad and unsanitary housing. That is basic and indispensable. But there is also required a concomitant educative process which shall enable the former slum-dwellers to alter their standards and habits of life. Else they will make slums wherever they go.

An organic city plan would thus need to define and establish a standard of living whose attainment the city is to facilitate for its citizens, and the citizens for their city. This standard is the first principle of the Idea of the City. It envisages the city primarily as an association of human beings, building their city and its institutions in terms of beauty and use, bestowing benefits equally on all its citizens, imposing directly and immediately responsibili-

ties that are to be directly and immediately discharged as a part of the course of each citizen's daily life. The statement of the city plan will then be a simple and lucid exhibition of the organic interrelationships of the city institutions and functions—its housing, its transportation, its parks, its libraries, its hospitals, its sanitation equipment and waterworks, its instruments of public safety, its schools, its museums—in terms of their action upon one another and of what they bring to, and require from, the personal life of each and every individual who lives in the city.

Foremost in the setting up of the cooperative attitude would be an alteration in the incidence of taxation. Today inhabitants of New York City contribute toward the upkeep of the municipality and its functions most largely through what they pay for rent, then through what they pay for food, clothing, amusements, and the like. They have no idea whatever how much of their budget goes into taxes for city purposes. If they did know, they would feel the impact of the city directly and specifically, and would care more about its character and administration. Taxation, when direct and visible, generates the demand for representation. It arouses a vigilance where vigilance had been lacking. It tends to keep the taxee alert regarding the character and conduct of the taxer. How to set up such a mode of taxation, and on what terms, is a subject for expert definition and extended public discussion.

Next to taxation, and coordinate with it, would come education in the Idea of the City. Education is of two kinds. One the municipality maintains, not competently, not intelligently, but generously. This is the free public-school system, ranging from the kindergarten to the college, and supplying the young of the city with the conventional sort of educational opportunity. But nowhere in the curriculum of the free public-school system does the theme of the *living* city and its relation to the young citizen figure in terms of the realities of city life. Nor would this theme be permitted to figure in the courses in "civics," which in effect falsify the truth about the dynamics of municipal administration.

and control. An adequately conceived city plan must hence become a part of the curriculum of the school system on every level of instruction.

The second mode of education is adult. It is both direct and indirect. Directly, it is accomplished in some degree through the work of the civic associations, which study, analyze, and interpret the record of the different institutions they undertake to safeguard. Indirectly, it comes through the contamination of public opinion from the press, the church, and the various commercial and industrial establishments.

The indoctrination of adults in the Idea of the City, and in the idea of the city's citizen, should be made part and parcel of the city plan. It should be set up as a direct activity of the plan. The truth about the city as it is should be placed alongside the ideal of the city as the plan defines it. The truth about the citizen as he is should be placed alongside the ideal of the citizen as the plan defines it. Detailed programs should be prepared, looking to the alteration of civic habits. The press, the church, the shop, the factory, the department stores should be drafted to reenforce the school and the college for the execution of a program of continuously teaching the Idea of the City as a co-operative enterprise of interdependent units. A part of this program should be the dramatic exhibition of the contrast between the actual and the ideal, the right way and the wrong in living. Music, the theater, the graphic and the plastic arts should be employed in games and pageants to instil the Idea of the City in the public mind until it is a vital part of every citizen's emotional and intellectual equipment.

If this be done, at the same time that past and existing evils are exposed, condemned, and torn down, and in their place goods are set up, the Idea of the City will in the course of time spread among the citizens as other ideas spread, will win their loyalty, transform their outlook, and alter their habits. It may take a few years or it may take a generation for the permanent population of the city to become city-conscious and conscious of themselves as citi-

zens of the city, but with proper and disinterested guidance they can do it.

Let the city's administrations share with the citizens of the city as fully as possible its problems, its plans, its hopes and fears. Let them use every device to secure the maximum of participation by the citizens in the city's business. Let them especially stress the vital and dynamic interdependence of Brooklyn and the Bronx, Richmond and Queens, Manhattan and Kings, for work, for play, for health, for safety, for growth. Let them undertake some specific enterprise which can be accomplished within the less than four operative years of any administration's term. Let each undertake such an enterprise at once as a model and an object lesson of the Idea of the City and of the good life possible for anybody who cares to make the effort to live it, in the light of this Idea. Let every administration drive home the lesson as many times and in as many ways as it can command. The combination of example and teaching will serve largely to do the rest. City government will have done all that is possible within its term of office.

# POLITICAL PARTIES AND SOCIAL CLASSES IN ISRAEL

BY M. ROSHWALD \*

EVER since Marx propounded his economic explanation of history and stressed the significance of class struggle in the story of mankind, scientists examining any social or political phenomenon have tended to follow the maxim *cherchez la classe*. Political life is not accepted at its face value, but is "psychoanalyzed," with a view to discovering the hidden *interests* behind the declared *ideals*. Such an approach, when adopted dogmatically, may mistake the theoretical beauty for the factual truth, but it would be no less erroneous completely to disregard the contribution of the materialist approach to the scientific elucidation of sociological truths.

That contribution cannot be decided in the abstract: its limits have to be discovered in each specific case. Political parties may be influenced more or less by class interest, and may correspond more or less to the community's social-class structure. But whatever the specific case, the relationship between political parties and social classes is very significant for an understanding of the life of a modern community.

The question of these relations in Israel is brought to the front by the July 1955 elections to the Knesset (parliament). The problem in Israel is not so simple as it might be if the simplified Marxist approach were adopted. Israeli society is far too complicated, however, to allow of such an explanation. In Israel political parties manifest a complexity that cannot be accounted for by the

\* AUTHOR'S NOTE—This article is based on a research prepared for the Third Congress of the International Political Science Association held in Stockholm in August 1955. In conducting the research I had the technical help of Mr. Shelomo Avineri, and the structure of the article is partly due to suggestions made by Professor Maurice Duverger, the organizer at the Round Table on Political Parties and Social Classes.

pattern of Marxism, and even social classes can hardly be graded in economic terms alone.

### *Social Classes*

In Israel there is no established criterion, accepted by everybody, for the gradation of society. The community, composed as it is of immigrants from various parts of the world, reflects different opinions about the relative importance of various occupations. To some orthodox Jews, learnedness in the Talmud is the highest social distinction, while others, influenced by Zionist ideology, regard productivity of occupation as the mark of high social status. For many, economic security and income are decisive, but this is by no means a generally accepted measuring rod. Moreover, the economic instability of various occupations and the fluctuating rates of remuneration make any economic gradation of social classes most unreliable. The rather common changes of occupation, especially the radical changes in the occupations of the newcomers, make it very difficult to classify people in a way customary in more stable countries.

On the other hand, there are several factors that make for distinctions among social classes. One of these is the length of residence in the country: as in most countries of immigration, the longer one has resided there the more respectable one is. And this basis for social esteem is qualified by another: one's country of origin. Thus Anglo-Saxon countries are usually regarded as conferring a far higher social status than, say, Oriental countries. Both these independent factors are positively correlated with economic security, which is thus, though not a decisive, certainly an important element in the gradation of social classes. Such a gradation tends to crystallize with the stabilization of the community, which usually follows a lapse in intensive immigration.<sup>1</sup>

While it is hardly possible to speak of social classes in Israel

<sup>1</sup> For a more systematic analysis of the problem of social classes in Israel see my paper on "Social Class Structure in a Fluctuating Community," in *British Journal of Sociology*, vol. 6, no. 1 (March 1955).

in the sense attached to this term in Western Europe, there is a real and conscious gradation there; it is merely less clear and more disputable than in Europe. For the purposes of this paper I shall speak of four social classes in Israel, using a mixed set of criteria (such as income, social power, education, prestige). This division seems to express the judgment of the majority of the population at the present moment. It is only tentative, however, and it requires verification by extensive research.

The four classes, starting with the lowest and ending with the highest, are as follows: *Class A*, unskilled workers, persons of no profession with a low income, inhabitants of new-immigrant settlements; *Class B*, skilled workers, members of cooperative settlements, teachers in elementary schools, lower officials; *Class C*, independent artisans, shopkeepers, members of transport and industrial cooperatives, independent farmers, secondary-school teachers, medium-grade officials; *Class D*, managers, high officials, physicians and lawyers, big merchants, industrialists.

The groupings are neither exhaustive nor precise. Some occupations have not been mentioned (that of the professional soldier, for instance), but they can be placed comparatively easily (thus the different grades of army officers can be identified with one or another of these classes). Some of the occupations would be differently classed by other observers: some Israeli socialists would perhaps transfer members of cooperative settlements to class C, and put shopkeepers in class B; the less successful of the lawyers and physicians certainly do not belong in the top class; to list unskilled workers with inhabitants of new-immigrant settlements may be an undue simplification. It would hardly be possible, however, to delineate a precise and indisputable gradation of social classes in Israel, and the alignment given here may serve as a useful distinction for present purposes.

#### *Political Parties*

Also the political parties in Israel have certain peculiarities of their own. If it is generally true of our era that national communities

are experiencing a "politicization" of social life, it can be said of Israel in particular that this process is evidenced mainly in the influence of political *parties* in the life of the community.

That elections are fought along party lines even at the municipal level is quite common in our era. That major parties own daily newspapers of their own, which make up the greater part of the total daily press, may be less common. In Israel party influence extends in these directions and in others as well. Israeli parties usually try to ensure the adherence not only of adults, but also of future citizens: "youth movements" of some (though not all) parties organize children from a very early age (ten years). The religious and socialist parties have even established independent educational systems, with the result that parents can choose among three or four types of elementary school for their children, each of these schools being at the same time a government institution; this tendency has been somewhat curbed of late, but it has not entirely disappeared. Sports organizations also follow the dividing lines of political parties. Furthermore, parties engage in various social activities, such as housing schemes, medical-benefit schemes, and labor organizations (the socialist parties have a unified and powerful labor organization and health system).

Such activities—and further examples could be cited—indicate to what extent the political parties dominate and permeate the life of the community even in entirely apolitical matters. This, of course, increases the power of the parties and their grip on the life of society and the individual. The life of a party member may in many respects be easier than the career of a person who avoids, or is opposed to, any existing pattern of organized opinion—except, of course, in the case of those individuals, especially young persons, who join a party on purely ideological grounds and submit more eagerly to arduous duties than they do to easy privileges.

By far the most powerful party in the country is the Israel Labor Party, called Mapai. Its strength springs not only from the quantitative support it enjoys from a vast part of the popula-

tion, but also from its tradition of continuous domination in the Jewish community long before the State of Israel was established, and from its domination of the powerful Histadrut, the General Federation of Jewish Labor in Israel. As a result its direct influence over workers is supplemented by vast economic power, for the Histadrut is at once a unified workers' organization (incorporating the trade unions) and the exclusive or partial owner and controller of immense cooperative and non-cooperative undertakings in industry, finance, commerce, and agriculture—by far the most powerful economic factor in the country.<sup>2</sup>

Mapai is a Zionist-socialist party, and follows the moderate path of the British Labour Party—though this does not mean that it resembles it in structure or in details of national policy. It regards itself as socialist, but it is not very doctrinaire, and it tempers its socialism with nationalist principles. To describe it in accepted jargon, it is the right wing of the left parties.

To the left of Mapai comes the United Workers Party, called Mapam. It too can be described as a Zionist-socialist party, but it follows socialist doctrine far more orthodoxy than does Mapai. Consequently, unlike Mapai, it sympathizes more with the Soviet Union than with the United States. The United Workers Party has recently split into two independent parties; one has retained the original name Mapam, while the other is called Ahdut Ha'avoda (Unity of Labor). One difference between them is the degree of leftist orientation, Mapam being the more extreme. This split, though significant in local politics, need not be taken into consideration in the present study.

The relative power of Mapam (and Ahdut Ha'avoda) has been greater than could be inferred from the quantitative support given it during elections. This party has many adherents in the pioneering agricultural cooperative settlements, and its supporters among

<sup>2</sup> About a quarter of the country's industry is in the hands of the Histadrut. Roughly 70 percent of agricultural production comes from cooperative settlements, and the entire system of bus communication is owned by cooperatives. Approximately half of the workers organized in Histadrut, and one-third of all the workers in the country, are employed in enterprises owned by labor.

the younger age groups are probably relatively numerous. It has a long tradition of pioneering in the development of the Israeli community, and is acknowledged to have played a significant part in the community's military achievements. It is linked with Mapai by cooperation in the Histadrut and by socialist principles. On the other hand, a dispute between coreligionists tends to be more vehement than a quarrel between adherents of different creeds, and its disputes with Mapai have weakened Mapam, which has been even more enfeebled by the recent split within the "United" Workers Party.

The most extreme party of the left wing is, of course, the Israel Communist Party. It follows the general line of communist parties throughout the world, and it is therefore unnecessary to enlarge on its ideology and policy. Its strength is negligible quantitatively, and it lacks any traditional appeal in the short history of the Jewish community in Israel. Its appeal to the Arab minority is stronger, but this has to be attributed more to minority feeling than to any positive attachment to the tenets of communist philosophy.

If we turn to the center we find the General Zionists, the second largest party in the second parliament, though its strength declined in the 1955 elections. This party, besides accepting general nationalist principles, is mainly concerned with economic problems, and tries to safeguard the interests of private industry and commerce, both large and small. It advocates the relative liberalization of the national economy. Its strength in social life is less conspicuous than in parliament, as the party is less well organized than those of the left, and is less active in the apolitical fields of social life.

Close to the General Zionists is the Progressive Party, which can scarcely be distinguished from the General Zionists in present ideology and policy. It can be described as left-center, and it has a tradition of cooperation with Mapai, while the General Zionists have tended to form the opposition even when they have joined Mapai in a coalition government. Still, in the context of

this paper, we can speak of a center bloc which, though dominated by the General Zionists, includes the Progressive Party.

Farther to the right is Herut, the Liberty Party, but this is not a rightist party in the sense of social policy, for its dominant principles are of a nationalistic character. It sprang from the clandestine military organization active during the last years of the British Mandate in Palestine (the Irgun Zvai Leumi), and from the closely associated Revisionist Party. Today it advocates territorial expansion, and supports the center in its economic policy, though this seems an issue of secondary importance to the leaders of Herut.

Herut was a significant party when the State of Israel was established, and, though the number of its representatives declined considerably in the second Knesset, it reemerged as the strongest single opposition party in the 1955 elections. Its power during the last years of the British Mandate lay in its control of a strong and well organized military association and its nationalistic appeal to large sections of the population. On the other hand, there was a cleavage between this party and the autonomous institutions of the Jewish community under the Mandate, and as a result it is ruled out a priori from any Mapai-led coalition. In this respect it shares the lot of only one other political organization, the Israel Communist Party.

Another significant political bloc is that of the religious parties. These were originally two parties (the Mizrahi and the Agudat Israel, differing in their Zionist record and in their degree of orthodoxy), but splits in these produced two additional religious parties oriented on labor (Hapoel Hamizrahi and Poalei Agudat Israel). Despite this inner division, it can be said that the religious bloc as a whole regards the problem of the religious way of life as the main issue to be fought out in the Knesset. And though this bloc forms a minority in parliament, it has won certain concessions from the leading non-religious parties, because of its valuable support in matters over which the other parties are in dispute.

The inner division within the religious bloc between the original parties and the workers' parties is not insignificant. The latter are twice as strong as the former. If religious problems could be disregarded, the religious labor parties would be the natural supporters of Mapai, and the original religious parties would be the natural supporters of the center. The religious workers (especially Hapoel Hamizrahi) have established their own cooperative settlements and youth movements, and their share in Zionist pioneering is generally acknowledged. The religious parties *en bloc* have the fervent support of orthodox Israelis, who, like any orthodox group, form a strong party foundation.

There are some minor parties or quasi-parties, but these can here be disregarded as numerically and otherwise insignificant. Most notable among them are several national minority parties of

PARTY	1ST ELECTION, 1/25/49			2ND ELECTION, 7/30/51			3RD ELECTION, 7/26/55		
	Votes	%	Seats	Votes	%	Seats	Votes	%	Seats
<b>LEFT OF CENTER</b>									
Mapai	155,274	35.7	46	256,456	37.3	45	274,735	32.2	40
Mapam & Ahdut									
Ha'avoda	64,018	14.7	19	86,095	12.5	15	131,876	15.5	19
Communist Party	15,148	3.3	4	27,334	4.0	5	38,492	4.5	6
<b>CENTER BLOC</b>									
General Zionists*	37,948	8.7	11	123,396	17.9	22	87,099	10.2	13
Progressive Party	17,786	4.2	5	22,171	3.2	4	37,661	4.4	5
<b>RIGHT OF CENTER</b>									
Herut <sup>b</sup>	55,145	12.7	15	45,651	6.7	8	107,190	12.6	15
<b>MIXED</b>									
Religious Bloc	52,982	13.3	16	81,723	11.3	15	117,772	13.8	17
Arab (pro-Mapai)	13,413	1.7	2	32,288	4.8	5	37,777	4.4	5
Others									0

\* Including, in the first and second elections, the allied "Sephardic Community."

<sup>b</sup> Including, in the first elections, a separate nationalist faction which later disappeared. That Herut and this faction, together, obtained only 15 seats in the first elections (as compared with 16 for the then united religious bloc) is attributable to the loss of votes caused by separate lists.

the Arabs, which support Mapai in parliament, and the Jewish communal parties, one of which closely supports the General Zionists and is consequently regarded here as a part of that grouping.

The relative strength of these various parties is shown by the accompanying table, which presents the results of the elections to the three parliaments. Elections are based on the proportional system of representation, and thus the number of seats acquired by each party in the Knesset corresponds to the votes cast in its favor.

#### *Party Policy on Social Classes*

Mapai's declared attitude toward social classes has been considerably transformed during the last years. At a 1943 conference of the party at Kfar Vitkin the stand was orthodoxy Marxist. It was said then that socialism implies "the absolute abolition of the very existence of classes," and that it "cannot be realized but as an outcome of the liberation struggle of the working class." By 1951, in the election campaign for the second Knesset, the tone had changed considerably. To be sure, "economic security," "the right to combine in trade unions," "legal protection of the worker" were spoken of. But at the same time the party promised "active help to healthy economic initiative in all forms—national, co-operative and private." It was said that "equality of rights and duties" should disregard differences of "sex, communal grouping, religion, nationality and social class"—clearly implying the existence of social classes and not implying any political effort to abolish them and establish a classless society. The party seems to oscillate between socialist ideals, which it does not dare discard openly (and even privately it will not admit to deserting them) and a liberal-democratic approach to economic problems and hence to the social structure of society.

This tendency to face both ways can be perceived not only in Mapai's public declarations but also in its economic policy and its income-tax and wage policies. The economic policy of the gov-

ernment (led by Mapai), though strongly favoring the cooperative sector, does not seem to aim at a complete abolition of private enterprise or nationalization. The income tax, though progressive, may in no case amount to more than about fifty percent of income, and thus it allows for accumulation of wealth by owners of large enterprises. Mapai's wage policy, for many years regulated by the principle of "family gradation" (to each according to his needs), is giving way, even within the institutions of the Histadrut, to "professional gradation" (based on qualification and responsibility).

That a shift has occurred in Mapai's attitude toward social gradation is confirmed by the answers received to a questionnaire submitted to members of the parliament. The eleven Mapai members who answered the questionnaire were divided in their attitude toward class gradation. To a question asking whether it is *desirable* to strive for a one-class society, in which one's income would correspond to one's needs and not to the nature of work done, the answers varied from "yes, definitely" to the opinion that "man's 'needs' are the result of suggestion and therefore are not a measuring stick." About half of the respondents answered in favor of a classless society, the other half qualifying their attitude by making provisions for freedom and economic productivity, or openly declaring their opposition. To the question asking whether it is *possible* to achieve a one-class society in Israel within the next twenty years, hardly anyone answered wholeheartedly in the affirmative. The Mapai members of Knesset usually preferred to declare "we are not prophets."

The shift to the right in Mapai's class policy, and the resulting confusion, can be attributed to several causes. One is the modification that abstract doctrines and principles not infrequently undergo when they are confronted with reality. It is one thing to declare doctrinaire socialism when no opportunity is given to implement it (as was the case during the British Mandate), and another thing to pursue it when responsible for governing a country in a complicated political and economic predicament. To be

sure, during the first years of Israel's existence Mapai leaders often spoke of the realization of "socialism in our time," but gradually they arrived at the conclusion that an egalitarian policy results in a decline in the productivity of labor and in discouragement of foreign investments, both essential to the country's economic development. The motive of genuine patriotism probably influenced some leaders to abandon socialist egalitarianism for the time being.

Another, less patriotic, point is that the various cooperative undertakings owned by members and adherents of the socialist parties, and mostly dominated by Mapai, are already too wealthy and too powerful to be interested in strict and unqualified egalitarianism. This strong net of cooperative undertakings has been erected on socialist premises, but the party policy of Mapai, now that the cooperatives are established, is to strengthen them even more by political means (such as the granting of economic privileges by the governmental economic-planning authorities). The possession of economic wealth and power, even by a cooperative, is a decisive factor against a policy of nationalization, and it appears that Mapai prefers living in a socially graded society, its members forming a comparatively high social class, to adopting a socialist egalitarianism which would result in surrendering hard-won economic wealth and power. This, however, does not prevent many of the members and leaders from "believing" in socialism, the realization of which is only postponed, allegedly on the grounds of national emergency and political-economic expediency.

Mapam has been and remains a more doctrinaire socialist party. Its stand in regard to social classes, as defined in 1948, is unequivocal: "The party is united in its view of the historical function of the revolutionary class struggle and of the establishment of a workers' government for the abolition of capitalism and all forms of national and social subjugation—for the establishment of a classless socialist society and a world of peoples' brotherhood."

The four Mapam (and Ahdut Ha'avoda) members of the Knesset

who answered the questionnaire completely and unanimously confirmed this stand. A classless society should be established, and inevitably will be established. This view was supported either by referring to the "second stage of socialism" or by emphasizing that the national needs of "ingathering of the exiles" (absorption of immigrants) would be promoted by a classless society. As to the period required for the establishment of a classless society, opinion was divided between unhesitating belief that the ideal would be realized within twenty years and a belief that no fixed period could be specified. But assurance regarding the achievement of the final goal seems, in accordance with Marxist orthodoxy, to pervade the leaders of the party.

It would be superfluous to analyze the attitude toward social gradation held by the Israel Communist Party, for it conforms with the communist stand in general.

The attitude of the center bloc toward social gradation is almost as unequivocal as that of the labor left wing, though, of course, it is quite the opposite. The General Zionists, in their program for the elections to the second Knesset, criticized the government for declarations it was then making about "the realization of socialism in our time"—declarations that allegedly undermined the confidence of potential foreign investors. They also criticized Mapai's extensive economic control, maintaining that it was used for the advancement of cooperative undertakings and holding that it made for a "suffocation" of private enterprise. The current income tax was described as "killingly progressive." Not only by implication but also explicitly, the policy they supported was one of free economic competition. Their justification of such a policy was not, of course, the ideal of a class-graded society, but the needs of the national economy and welfare. It can unhesitatingly be assumed, however, that the factor of class interests was not very far beneath the surface of the declared reasons. Indeed, it was manifest in the demand for "the right to ownership of capital and property." The Progressive Party, though claiming not to be a

social-class party, credited itself with persuading the labor government to abandon its socialist intentions.

The members of the center bloc were even more outspoken and frank than the leftists in their answers to the questionnaire. The nine who responded agreed that a classless society is by no means desirable. Some of them did not think it realizable, while others either refrained from expressing a definite opinion in this respect or pointed to the national dangers resulting from socialist tendencies.

The stand of the nationalist Herut toward social gradation is less than clear. In 1948, when the party changed from a clandestine organization into a legal political party, it expressed the hope that Israeli society would become one wherein "no distinctions, except natural differences, will exist between people" and "everyone will receive his due not only according to his work but also according to his needs." Later on, however, the party veered to the right, and it championed the interests of the middle class in parliamentary discussions. In the vigorous discussion on government economic policy, as pursued by Mapai, Herut joined the center bloc in criticism of the control and rationing systems, and in advocating a "free" economy.

The only questionnaire response received from Herut representatives is typical in this respect. The respondent deemed it desirable to strive for a classless society, but did not think it possible to achieve it within two decades.

Herut's equivocal stand between different tendencies seems to spring from a lack of genuine interest in social matters, and from preoccupation with national issues and foreign policy. The spiritual founder of the movement, Jabotinsky, when asked about his stand toward the future regime of the Jewish state, made an answer that remains typical of the attitude of his followers: "I myself shall depart from the train at the station called the Jewish State."

The religious bloc, consisting as it does of four parties, has no

unified stand in regard to social classes. The religious labor groups are naturally more leftist than the religious parties proper, which in their class attitudes can be regarded as similar to the center. But religious labor is even less left not only than Mapam but even than Mapai. It advocates the interests of the religious worker, and represents the religious cooperative settlements, but it also represents the religious petit bourgeois. It refrains from revolutionary slogans and seems to believe in the harmonious cooperation of a variety of social classes, though it sympathizes with the religious worker in particular.

Of the five questionnaire answers received from members of this bloc, two were from representatives of the ultra-religious party (Agudat Israel) and three from religious labor (Hapoel Hamizrahi). The first two tried to relegate the problem of a classless society to another plane: in God's will and the law of the Bible lies the solution of problems concerned with social classes. The stand of the other three was plainer and more specific: only one of them was in favor of a classless society, but he did not believe in its early realization; the remaining two expressed the opinion that such a development is neither desirable nor feasible, though one of them advocated a narrowing of the gap between social classes.

One general point should be added to this survey of the various parties' stands in regard to social classes. This is the *relative importance* of the issue in the general plans and activities of the different parties. For some the policies directly or indirectly concerned with social gradation are dominant issues, while for others they are of only secondary importance.

The Herut party, as already mentioned, is mainly and predominantly, and in my opinion genuinely, concerned with the nationalistic problem of historic territorial rights, and consequently with foreign relations. The social issues are of secondary or even tertiary interest, and seem important mainly in so far as their settlement will be conducive to national strength (hence the initial quasi-socialist tendencies), or perhaps provide a tactical

means for finding supporters for the party (hence the later middle-class policy). Similarly, the religious bloc regards the religious issue as the most important question facing the country, and the division between religious labor and religious parties proper is actually only a subdivision.

The situation in Mapai is less clear. Here class interests and policies strongly intermingle with national policy, though the party's stand on social issues, even when considered separately, is itself rather ambiguous, and, as has been pointed out, the interests of the members of cooperative undertakings are upheld more strongly than socialist ideals. The center bloc, too, and even more explicitly, supports the interests of the economic upper and middle classes, but national considerations, whether genuine or adopted for reasons of propaganda, are closely intertwined with the social-class policy.

Mapam (and Ahdut Ha'avoda) provide, apart from the communists, the clearest example of policy dominated by class considerations, the socialist doctrine being outspoken in this respect, as the bourgeois non-doctrinaire doctrine is not. But even here national considerations are by no means insignificant or even of secondary importance, for Zionism forms an integral part of the program pursued by the party, in practice as well as in theory and propaganda.

#### *The Class Structure of the Parties*

To determine the social-class structure of Israeli parties is very difficult, not only because of the obstacles to obtaining precise information but also because of the complications of class gradation in Israel. This analysis will make use of the four class groupings described above, and will consider the problem separately with reference to party leaders and party supporters.

For present purposes party leaders are defined as the members of parliament, specifically the members of the second Knesset at the time of its election (disregarding the representatives of the smallest parties). None of these party leaders could be charac-

terized as falling in class A; their approximate distribution among the other three classes can be seen from the accompanying tabulation.

<i>Party</i>	<i>Class B</i>	<i>Class C</i>	<i>Class D</i>	<i>Total</i> (100%)
Mapai	4 (9%)	20 (44%)	21 (47%)	45
Mapam & Ahdut				
Ha'avoda	1 (7%)	4 (27%)	10 (67%)	15
Communist Party	..	4 (80%)	1 (20%)	5
Center Bloc	..	6 (23%)	20 (77%)	26
Herut	..	4 (50%)	4 (50%)	8
Religious Bloc	..	8 (53%)	7 (47%)	15
<b>TOTAL</b>	<b>5 (4%)</b>	<b>46 (40%)</b>	<b>63 (55%)</b>	<b>114</b>

The figures reveal no striking class differences among these members of parliament, almost all of them belonging to the two upper groups. This, of course, is not surprising. It is true that in making these class allocations the leaders' status as members of parliament was not taken into consideration (a course that would have placed all of them in class D). But in most cases other factors in the complex set of criteria used in the class divisions, particularly the factor of social prestige, had been affected by the very fact of the leader's political activity within a party.

Despite the general similarity of the various parties in this respect, a few differences may be noted. The most surprising result of the analysis is the relatively high proportion of Mapam representatives in class D; this finding may be due to the tendency of doctrinaire parties to attract an intellectual type of leader, and also to the prominent part that Mapam leaders have played in the community's growth. The lack of such traditional prestige, as well as the youth of its leaders, is reflected in the relatively lower class rating of the Communist Party, which is even more doctrinaire. Other things being equal, a large group may be expected to show more variation than a small one, and this may be the reason why Mapai was found to be represented in class B as well

as C. The numerical preponderance of labor elements in the religious bloc is also evident in the figures, giving these parties an almost equal division between C and D rather than the high representation in D that would otherwise be likely.

The predominantly class D character of the center bloc is what one would expect, in view of the general tenets of these parties and the fact that their representatives are largely recruited from the free professions and the wealthy groups. Less in accordance with theoretical expectations is the finding that as many as half of Herut's representatives fell in class C. This is probably due largely to the party's background as a clandestine military organization, for "respectable" people do not usually join such groups, and to the fact that many of its members spent their youth in its activities rather than in pursuits that might have given them a higher standing in the community.

No figures are available on the occupations and social classes of the members or supporters of the different parties. Some partial information is available, but none of the material is exhaustive or wholly reliable. Thus the following analysis is of necessity based only on "widely known" facts. Its results cannot, of course, be given in numbers, and only general statements will be attempted regarding the social groups that probably support each party, and their relative strength. Needless to say, each party includes members of all the social classes, but main consideration will be given to the dominant and "typical" groups; as will be seen, one of the dominant groups in a party may be less numerous than another and nevertheless more influential.

Mapai probably has its greatest strength in class C, chiefly because of the support it receives from the industrial and transport cooperatives. Supporters from these groups are very influential because of their economic power. Numerically, however, class B is probably as significant as C. Mapai also has a considerable following among the new immigrants, who to a great extent belong to class A. In Mapam, on the other hand, class B is probably dominant, even though there are of course many Mapam members

in class C as well. The party's stronghold is among the members of cooperative settlements and probably also among the skilled workers with less income than the members of cooperatives, both classified as B. The Communist Party probably draws its main support from among the economically dissatisfied members of class A. According to its official statement, 77 percent of its members are wage-earners, and this seems plausible.

The main support of the center bloc is in all likelihood in C (outside its cooperative sector) and in D. Numerically the independent artisans and shopkeepers (C) are probably preponderant, but the less numerous industrialists and big merchants (D) may be no less influential in determining the party's policy. In Herut, however, an important proportion of the members and supporters seem to belong to class A. This is due mainly to the appeal that nationalism and former underground activity have for many young people among the Oriental and Mediterranean immigrants, whose social class is usually low. On the other hand, the party's policy is influenced mainly—perhaps only—by a leadership and elite from East European countries, whose social grouping is C or D. The parties of the religious bloc are perhaps the most diversified in their class composition. They have the support of many religious people among the new immigrants (A), the cooperative settlers (B), and the shopkeepers (C), with class D probably providing the fewest representatives.

#### *Party Ideology and Class Structure*

This rough appraisal of the various parties' class composition raises the question of the relationship between that composition and the parties' attitudes toward social classes. Is the class ideology a mere function of the class structure, or does the ideology determine the adherence of certain social groups to the party? The answer seems to be by no means simple or uniform, and should be traced for each party separately.

In Mapai, where there has been a shift from a rather doctrinaire socialism to a social-democratic policy and ideology, the change in

outlook may be partly attributed to the rise in social status experienced by the most powerful supporters of the party. The members of cooperative undertakings have grown considerably wealthier, and in the process they have acquired some bourgeois characteristics. Their taste for good living quarters and a high standard of living has developed in direct relation with the possibility of achieving these objectives. With many members of the socialist party becoming semi-bourgeois, the ideology of the party shows a similar swing.

The situation in Mapam is different. Here too the relative wealth of the members has probably increased, but the party's doctrinal adherence shows no signs of relaxation. This is probably attributable much less to the social structure of the party than to the nature of its doctrine, and also the characteristic psychology of the believer, though it is possible that the doctrinal rigidity has drawn people from lower classes to the party's support. In any case, doctrine seems here to be a more fundamental factor than social structure.

Obviously, the doctrine of a communist party is not changed by social movements within it (with the possible exception of the Russian Communist Party), though the doctrine may be a factor in determining the social composition of the supporters. The considerable support given the Israel Communist Party by some sections of the Arab minority is a result of the party's genuine egalitarianism.

In the center bloc there is a considerable correspondence between social policy and class composition, with the latter factor probably the more decisive. In Herut, however, the social standing of the majority of supporters has little influence on the party's policy in regard to social gradation. This is an outstanding example of the fact that a party's social structure is by no means an inevitable influence on its policy. People from the lower social classes give wholehearted support to Herut, which at times has advocated a middle-class policy. This policy has brought some middle-class supporters who do not adhere to Herut's nationalistic

policy, but their support is generally temporary. Essentially the party is not class-conscious.

If doctrine affects the social composition of the religious bloc, this is true only of religious doctrine—except in regard to the subdivision between religious labor and religious parties proper, for the religious worker naturally tends to give his support to the parties of religious labor (which probably have also, however, the support of some religious non-workers). The bloc as a whole is influenced in its social policy by the multifariousness of its social composition, which results in a non-doctrinaire, ill defined, and flexible attitude toward social classes. The main interest of the religious bloc, like that of Herut, is outside the sphere of class problems.

# MOZART AND THE PHILOSOPHERS

BY ALFRED SCHUTZ\*

SOME thirty years ago an outstanding German writer, Friedrich Gundolf, published a book entitled *Caesar: The History of his Glory*. He showed that each century, and even each generation, has formed a different image of the person and character of Julius Caesar, and has interpreted his influence on the destiny of occidental culture in a different way. Not two thousand but hardly two hundred years separate us from Mozart's lifetime, and nevertheless a history of his glory would offer a fascinating topic for an essay in the philosophy of history.

But I have to forego the temptation to demonstrate how each generation has had to rediscover the man Mozart and his work and to reinterpret his position within the main stream of music. My purpose is to examine in a very condensed form the images that three modern philosophers—Hermann Cohen, Soren Kierkegaard, and Wilhelm Dilthey—have formed of Mozart and his art; and these images, as will be shown, are restricted to Mozart's operas. I shall preface that discussion with a few remarks on the relationship between philosophy and music in general, and shall refer briefly to certain views held by the philosophers of the eighteenth century with respect to the operatic art; and I shall close with a consideration of the purely musical means by which Mozart solved the problems of the philosophers in his own way, thereby proving himself to be the greatest philosopher of them all.

## I

From the Pythagoreans, from Plato and St. Augustine to Bergson and Santayana, philosophers have concerned themselves with

\* The author wishes to dedicate this essay to the memory of Erich Itor Kahn, musician, philosopher, friend.

music as one of the ways in which man expresses the basic experience of transcendency constitutive of his place within and his attitude toward the cosmos. Schopenhauer, whose insight into the nature of music still remains unsurpassed in modern occidental thought, summed up his pertinent theory by the statement: "Using common language one might say that music as a whole is the melody to which the whole world furnishes the text."<sup>1</sup> And in the more technical language of his system he explained:

The thing-in-itself, the will, is the subject-matter of any true metaphysics and also the very subject-matter of music: both speak of the same topic in different languages . . . We might, therefore, just as well call the world embodied music as embodied will . . . and this is the reason why music makes every picture, and indeed every scene of real life and of the world at once appear with high significance . . . It rests upon this that we are able to set a poem to music as a song, or a perceptible representation as a pantomime, or both as an opera . . . Supposing it were possible to give a perfectly accurate complete explanation of music, extending even to particulars, that is to say a detailed repetition of what it expresses, this would also be a sufficient repetition and explanation of the world in concepts or at least entirely parallel to such an explanation, and thus it would be true philosophy.<sup>2</sup>

To be sure, Schopenhauer's musical ideal, especially in opera, was not Mozart but Rossini. But his statements show clearly the reasons for philosophy's concern with music. Nietzsche, in this respect a true follower of Schopenhauer, said once that he did not care for a philosophy that is not capable of explaining music and love.

What was Mozart's attitude toward philosophy? It can safely be stated that Mozart, in contradistinction to Beethoven, who as a man of wide reading studied Kant, had hardly any knowledge of

<sup>1</sup> Schopenhauer, *Philosophische Aphorismen*, Aus dem handschriftlichen Nachlass gesammelt von Otto Weiss (Leipzig 1924) p. 196.

<sup>2</sup> Schopenhauer, *The World as Will and Idea*, translated by R. B. Haldane and John Kemp, 3 vols. (6th ed., London 1907-09) Book III, Section 52, and Book III Supplement, Ch. 34.

the writings of philosophers. His education as a prodigy gave him neither time nor opportunity for any occupation with the study of literature in general. Among the few books he left behind at the time of his death there was but one philosophical work, the *Phaidon* by Moses Mendelssohn, and we do not know how he obtained it or whether he ever read it. He did, however, become concerned with certain metaphysical problems, although in a rather derived form, when, after entering in 1785 one of the eight lodges of Freemasonry in Vienna, he came into contact with the man who was leader of that circle, the famous scientist Ignaz von Born.

It was especially the problem of death which occupied him. In his last letter to his ailing father, on April 4, 1787, he wrote: "Since death (properly understood) is the true ultimate purpose of our life I have for the last two years made myself so well acquainted with that truest and best friend of mankind that he has for me not only nothing terrifying any more but much that is tranquillizing and consoling. And I thank God that he bestowed upon me the good fortune to provide the opportunity (you understand me) of recognizing death as a key to our true blessedness." This is a statement of a truly philosophical mind which has dealt for a lifetime with the melody to which the whole world furnishes the text.

But was Mozart familiar with the theories of music held by the philosophers of his day? There is reason to believe that he became acquainted with them during his stay in Paris in 1778. His protector, Baron Friedrich Melchior Grimm, was a close friend of d'Alembert, Diderot, Holbach, and, for a certain time, Jean Jacques Rousseau. It may be useful to mention briefly some of the significant views these philosophers of the French Enlightenment had on music.

Nearly all of them were concerned with this topic. But music meant to them above all vocal music, and especially opera, and the very possibility of the operatic form, that is, the combination of music and drama, attracted their particular interest. They all

took part in the various controversies concerning the meaning of the operatic form which excited public opinion in Paris during the second half of the eighteenth century: first, that relating to the transformation of the traditional French opera style by Rameau; then the debate between the admirers of the classic French opera and the Italian *opera buffa*, which started with the performance of Pergolesi's *La serva padrona* in Paris; and finally the battle between the supporters of Gluck and those of Niccolò Piccini, which was at its height during Mozart's second stay with Baron Grimm.

It seems that among the *philosophes* around the *Encyclopédie*, d'Alembert and Diderot had the greatest understanding of musical problems, but without any doubt Rousseau was the most influential. His lifelong relationship with matters of music deserves a separate study. Inventor of a new system of musical notation, earning his livelihood for many years as a copyist of music, Rousseau was also a moderately gifted composer, whose opera *Le devin de village*, for which he wrote also the text, was performed everywhere in Europe (a transformation of its libretto was used by the twelve-year-old Mozart for his "Singspiel" entitled *Bastien and Bastienne*). Rousseau wrote copiously on music—most of the articles in the *Encyclopédie* on this subject are from his pen—and even published a two-volume dictionary of music. In some of his writings he touched on serious problems of the art form of the opera,<sup>3</sup> which should be briefly characterized because they are intimately connected with our main topic.

The role that Rousseau's concept of nature and his postulate of returning to the natural state of man played in his theories of society, government, morals, and language is well known. The same ideas dominated his philosophy of art, and especially of music. To him, as to all the philosophers of the Enlightenment,

<sup>3</sup> In addition to the articles "Opera" and "Recitatif" in his dictionary of music see especially his "Letter on French Music" (1753) and his "Observations Concerning the Italian Alceste by Gluck" (1774); see also Adolphe Jullien, *La Musique et les philosophes du 18ème siècle* (Paris 1873).

the arts had to imitate nature. Music imitates human nature—human feelings and sentiments. And what is it that makes music an imitation of nature? It is melody, which plays the same role in music that design plays in painting: melody creates the contour; the chords, the harmony, furnish merely the color. Unity of melody is thus the main principle of naturalness and simplicity in music.

This principle of unity of melody requires, first, that in a duet or trio the melody has to be distributed in succession among the parts, but in such a way that two melodies are never heard simultaneously. Nothing is less natural than to hear two persons speaking at the same time. This idea explains Rousseau's contempt for complicated ensembles and his horror of contrapuntal forms, such as canons and fugues, which he regarded as residues of a barbarian taste. The principle of the unity of melody requires, secondly, the avoidance of complicated harmonies in the accompaniment, and the restriction of the orchestral part to filling out the contours of the melody and fortifying its expressive values.

Opera is subject, in addition, to the requirement of dramatic plausibility, which again originates in the principle of naturalness. Hence the *recitativo secco*, without any orchestral accompaniment, has to imitate the spoken language carefully in its declamatory style. The accompanied recitative is admissible only if the situation requires the monologue of the actor to be interspersed with pauses and hesitations into which the orchestra cuts in. It remains a curious paradox that Rousseau regarded the duet or an accompanied recitative as against the rules of dramatic plausibility and imitation of nature, but had no objection to the fact that in opera the persons communicate by singing. This paradox is characteristic, however, of the musical theories of all the *encyclopedistes*.

We shall see how Mozart in his way, the way of a pure musician, solved the problems of the *philosophes*, that is, how he achieved unity of melody and dramatic plausibility by his handling of the ensembles, the recitatives, and the orchestra in a manner not even

seen by the French theoretician. But I hasten now to examine what Mozart has meant to some modern philosophers.

## II

It might be assumed that philosophers, following Schopenhauer's views, would turn to Mozart's music as an embodiment of the universe and an expression of transcendental experience as such. Astonishingly enough, all the thinkers here under scrutiny were concerned merely with Mozart's operas. His other works, his instrumental music, his compositions for the church, above all his most personal confessions—the concertos for pianoforte which constitute a series of self-portraits comparable only to those of Rembrandt—were never in the focus of their interest. To be sure, Dilthey, the only philosopher whose conception of Mozart dealt with some essential elements of his music, was right in stating that Mozart was the greatest dramatic genius of the eighteenth century and has therefore to be considered primarily as a dramatist (Hegel, who made an occasional remark on Mozart in his Lectures on Aesthetics, went so far as to interpret even his instrumental works as a kind of dramatic dialogue). But it can safely be stated that, with the exception of Dilthey, the philosophers were more concerned with the problem of how to find a place for the phenomenon Mozart within their own systems than with Mozart's music itself. This explains their tendency to pay exaggerated attention to the plots of his operas and the characters involved in them.

A striking example of this is a little book by Hermann Cohen, the foremost representative of the German neo-Kantian school, on "The Dramatic Idea in Mozart's Opera Texts."<sup>4</sup> The monograph is clearly intended as a supplement to Cohen's "Aesthetics of Pure Feeling," the third volume of a trilogy which interprets the three critiques of Kant's. Half of the book deals with general

<sup>4</sup> Hermann Cohen, *Die dramatische Idee in Mozarts Operntexten* (Berlin 1916); see also his paper "Mozarts Operntexte," in *Allgemeine Musikzeitung*, vol. 33, no. 4 (1912) pp. 60 ff.

aesthetic considerations; the other half is an interpretation of the five generally known operas by Mozart.

Cohen's first problem was to investigate the nature of the unity of the musical drama. All dramatic art, he held, is based on the unity of action (in Aristotle's sense). Unity of action refers to the unity of will, and this, in turn, refers to the basic problems of ethics. The dramatic poet deals with the great questions of fate and freedom, and he can do so because he uses the medium of language, which, by reason of its conceptual structure, is an instrument fit to deal with dialectical and casuistic problems. But music, lacking any logical or conceptual structure, has to establish the unity of action by using another symbol. This symbol is love, in its various forms.

According to Cohen, love is the action of pure feeling and, even more, it is the only aesthetic action. Music is the expression of pure aesthetic feeling, and for this reason opera, as the amalgamation of drama and music, has to make love the spring of dramatic action. This is possible because all actions, and also all conceptual terms of ordinary language, have "feeling suffixes" referring to the manifestations of the eros. Thus love became the central theme of Mozart's operas; his problem was to show how all human actions originate in love and terminate in it, and to unify this principle with the ethics of the dramatic action. He succeeded in doing so by maintaining his musical independence and, at the same time, merging the dramatic idea of the plot with the harmonies of his language of love—love of the natural and the human world. For this reason the human voice is the backbone of his operas; everything else is of secondary importance. It was a particular achievement of Mozart's genius to keep the connection between love and the dramatic idea on the level of pure humanity and nevertheless to express on this level the experiences of the transcendent and the divine. He brought the two movements of the beautiful—the sublime and the comic—into a balanced combination attained before him by Shakespeare alone. Mozart was the first who gave the opera in the true sense its

dramatic idea, far beyond the historical forms of *opera seria* and *opera buffa*, far beyond also the compositions of a Gluck or a Rameau.

Unfortunately the whole theory is reduced to absurdity in the second half of Cohen's book, in which he analyzes the plots of five Mozart operas and their main characters in terms of his principles. To give just a few examples, *The Abduction from the Seraglio* represents, in Belmonte, love as a natural right of man which defeats a tyrant, and in Osmin the barbaric love of concupiscence and voluptuousness, as expressed in his sensual entry song and his drinking song "Vivat Bacchus." Don Giovanni combines the problem of *Don Quixote* with that of *Faust*; and Elvira—Elvira of all persons!—has to perform the mission of *Gretchen* in Goethe's *Faust*, who invokes the omnipotence of love, becomes in the final scene the St. John of the marble statue which appears for dinner, and brings Don Giovanni salvation by the mere fact of admonishing him to repent.

To be sure, only a German professor of philosophy could develop interpretations of this kind. And in order to do so Cohen had to make Mozart and Mozart alone responsible for both the selection of the plots and the formulation of their inherent dramatic ideas—as if the Stephanies, Da Pontes, Schikaneders had not existed at all, and as if the selection of the texts had not been more or less a matter of chance. The facts surrounding the genesis of Mozart's operas are a matter of historical record;<sup>5</sup> and these facts alone explain sufficiently Richard Wagner's astonishment at the unconcerned lack of discrimination in Mozart's selection of his libretti, and Beethoven's frequent statements that he never would have been able to set to music such frivolous texts as Mozart used.<sup>6</sup>

Moreover, Mozart did not hesitate to change the dramatic

<sup>5</sup> See Edward Dent, *Mozart's Operas* (Oxford 1942).

<sup>6</sup> Richard Wagner, "Oper und Drama, I," in *Gesammelte Schriften und Dichtungen*, vol. 3 (Leipzig n.d.) p. 246; Albert Leitzmann, *Ludwig van Beethoven, Berichte der Zeitgenossen, Briefe und persönliche Aufzeichnungen*, vol. 1 (Leipzig 1921) p. 48 (report by Ignaz Seyfried), p. 298 (Rellstab), p. 333 (G. v. Breuning).

structure of his operas, here inserting an aria for a favorite singer, there leaving out one not suitable for the performer, and even dropping for the Viennese production the last scene of *Don Giovanni*, where the survivors rush in after the hero's disappearance, merely because the opera would have been too long by reason of the numbers added for that performance. And if all this does not sufficiently prove that Cohen's assumption is untenable, we have only to look at the personalities of Mozart's librettists, Da Ponte and Schikaneder, both highly gifted adventurers of the period. Their concept of a good opera text would certainly not have been compatible with Hermann Cohen's theories. Arthur Schurig is right in stating, in his otherwise highly objectionable work,<sup>7</sup> that Mozart as an opera composer could not be represented in a more unrealistic manner.

Hermann Cohen does not mention Kierkegaard's writings on Mozart but certain details point to the assumption that he was familiar with them. In Kierkegaard's *Either-Or*, published in 1843, we find a chapter called "The Stages of the Immediate-Erotic or the Musical-Erotic," which has frequently been considered the most profound interpretation of Mozart.<sup>8</sup> But to give such an interpretation was clearly not Kierkegaard's intention. He used Mozart's music and the characters of his operas merely as symbols for an indirect communication of certain fundamental problems of his own philosophy. W. J. Turner disregards this aspect in his otherwise excellent book on Mozart,<sup>9</sup> and therefore comes to an entirely erroneous conclusion concerning Kierkegaard's views. The main problem of *Either-Or* is man's choice between a life on the aesthetic-erotic level and one on the ethical or even religious plane, a problem that Kierkegaard developed fully in later writings. In *Either-Or* he dealt with this problem in a literary form

<sup>7</sup> Arthur Schurig, *Wolfgang Amadeus Mozart*, 2 vols. (Leipzig 1916).

<sup>8</sup> Søren Kierkegaard, *Either-Or; A Fragment of Life*, translated by D. F. and L. H. Swanson and W. Lowrie, 2 vols. (Princeton 1949) vol. 1.

<sup>9</sup> W. J. Turner, *Mozart: The Man and his Works* (New York 1938) Ch. 19, "Kierkegaard on Mozart and Music"; see also Anna Charlotte Wutzky, "Søren Kierkegaard and Mozart," in *Zeitschrift für Musik*, vol. 97 (1930) p. 913.

that gave him the possibility of approaching it by means of indirect dialectics.

This is not the place to enter into a detailed analysis of Kierkegaard's technique of indirect communication, so characteristic of him. It must be pointed out, however, that *Either-Or* is one of his pseudonymous—or, as he preferred to say, "polynomous"—writings. Not Kierkegaard but an imaginary Victor Eremita signs as the editor of two sets of manuscripts which he pretends to have discovered by chance in the secret drawer of an antique writing table. The main theme of both sets is the erotic experience in human life. The writer of the first set is a man called merely Mr. *A*. He lives on the aesthetic level, and is the type of the seducer who knows merely the sensual aspects of love. William, the writer of the second set—consisting of letters addressed to *A*—is a family man and stands for the ethical and even religious aspect of love, which only marital life can reveal. It is *A*, the seducer, in trying to express his experience of what he calls the immediate-erotic, who uses Mozart and his operas as symbols. His intent is twofold: first, an *apologia pro vita sua*; and second, a polemic against William. The reference to Mozart and his work is merely a device of the dialectic of indirect communication. Thus we have here an example of the frequently recurrent situation that a symbol, once established, can be used in a different context of meaning as the starting point for another symbolization of a higher degree, the meaning of which supersedes or possibly even annihilates the meaning that the symbol had originally.<sup>10</sup>

But why does *A* choose Mozart's operas as a starting point for symbolizing the various stages of the immediate-erotic, which is his main topic? He does so because he takes it as a basic axiom that the immediate-erotic is identical with the musical-erotic. *Immediacy*, that key word in Kierkegaard's philosophy, is the

<sup>10</sup> See Alfred Schutz, "Symbol, Reality and Society," in *Symbols and Society*, Fourteenth Symposium of the Conference on Science, Philosophy, and Religion, ed. by Lyman Bryson et al. (New York 1955) pp. 153 and 184 ff.

opposite of reflection. As soon as the erotic experience is reflected upon, it loses its immediacy; it is no longer an aesthetic experience, but turns into an ethical one. Ordinary discursive language presupposes reflection, but music begins where language ends. Music can express the immediate in its immediacy; even more, the erotic experience is, to *A*, the proper subject matter of music because music is a demoniacal element.

*A* distinguishes three stages of the immediate-erotic experience, but hastens to add that he should speak, instead, of metamorphoses, for all these transformations occur within the realm of immediacy. For that reason, too, these stages or metamorphoses cannot be described by ordinary linguistic means. But they can be explained by symbolic reference to Mozart's music.

The first stage of the immediate-erotic is symbolized by Cherubino, the page in *Figaro*—not, however, the character of the page as he appears on the operatic stage, but the myth of Cherubino as represented by Mozart's music. This mythical Cherubino visualizes the sensual, but the sensual-erotic has not yet been roused to joy and pleasure. The page experiences it in a mood of quiet melancholy; the desire still slumbers, and anticipates its object in an uncertain twilight. Here is the origin of the infatuating, magical, sweet pain of this state, characterized by the music Mozart bestowed upon his page: Cherubino is drunk with love.

The symbol for the second stage is Papageno. The dreaming desire has been roused and, as is always the case, only at the moment of his awakening does the dreamer become aware that he has dreamed and that the dream is over. In Papageno the desire starts on a voyage of exploration. His hilarity, his pulsating joy of life is the pleasure of discovery. This is mirrored in Mozart's music, and Kierkegaard identifies the mythical Papageno with his first aria and the chimes of his magic bells. These are the symbols for his way of life, which could be said to be a continuous twittering. He enchants, he allures, he seduces.

Thus at the first stage the desire dreams, and at the second stage

it explores. But at the third it becomes absolutely determined. This third stage is symbolized by Don Giovanni—and not only by the eponymous hero but by the opera as a whole. In *Don Giovanni* desire is victorious, irresistible, demoniacal, a principle that rules the world, and Don Giovanni is its embodiment. Again the expression of his personality is music, and music alone. *A* compares Don Giovanni, who is the demoniacal determined as the sensual, with Faust, who is the demoniacal determined as the spiritual.

Don Giovanni hovers between the idea which he represents and his individuality, and this hovering is a particular feature of the medium of music. Only music can express the force of seduction in Don Giovanni in its immediacy; it is inexpressible for ratiocination, for well ordered reflective thought. Don Giovanni does not consciously plan seduction by intrigues and skillful calculations. He desires, and his desire has the effect of seduction. His life sparkles and glistens like the wine he enjoys, and it is the so-called Champagne aria that mirrors the basic mood of the whole opera. This unreflecting passion can be expressed only by music, and only a musician, only Mozart, could do this. Whereas other presentations of the same plot, say that by Molière, merely speak of the seducer, Mozart's art shows us that this seducer exists. Kierkegaard emphasizes that the immanent problem of the opera, in contradistinction to the drama, consists not in the characterizations of the persons and the presentation of the action—for such a purpose the art form of opera is not reflective enough—but in the unity of mood forged out of the plurality of the separate voices. Consequently action in opera is not the action of the characters; it is immediate action.

All the other characters in the opera receive their force from Don Giovanni. His life is the efficient principle for the life of all the others, his passion makes all the others move. It is echoed by the earnestness of the Commendatore, the ire of Elvira, the hatred of Anna, the gravity of Octavio, the anxiety of Zerlina, the confusion of Leporello. And all this is performed by musical

means. Take, as an example, Elvira's first scene. She stands in the foreground, Don Giovanni and Leporello in the background. The setting can be grasped by the eye of the beholder, the musical situation by his ear. But the unity of the situation is affected by the harmony of Don Giovanni's and Elvira's voices, and the beholder should not see Elvira and Don Giovanni together in the unity of a spatial situation. He should hear Don Giovanni in Elvira's singing.

Even in the overture Mozart circumscribes the central role of Don Giovanni and therewith the whole realm of the opera. Don Giovanni's life is not a life of despair. It exhibits the full power of the sensual, which is born in anxiety, but this anxiety is nothing else than the demoniacal lust for life. He dances over the abyss and jubilates in the short time that is given to him. Mozart always interprets him as representing an ideal—life, power, lust—that is, as an ideal over against a reality. He dissolves him into music; he immerses him in a world of sounds. And it is the basic mood of the opera, not the changing situations, which gives it its dramatic importance.

The basic mood and not the changing situations: this is the conclusion necessarily reached by *A*, the man living on the aesthetic stage, who tries to express in indirect communication his immediate-erotic experience by taking Mozart's operatic characters as starting points for a symbolization on a higher level. Let us not forget, he emphasizes that what acquires symbolic functions is not the "real" Cherubino, the "real" Papageno, the "real" Don Giovanni as they appear on the operatic scene, but the mythical ones, the "ideas" of their natures. That is why, from his point of view, each of these mythified characters represents a basic mood, and why the changing situations in which these characters are placed are irrelevant.

It seems to me that this statement touches on one of the most serious questions of Mozart interpretation, one that has hardly received the attention it deserves. This is the question whether we are entitled, as is generally assumed, to interpret the persons in

the plots of Mozart's operas as unified personalities with consistent characteristics—an interpretation that would certainly be valid in regard to Beethoven's *Fidelio* or Wagner's operas. The discussion of this question will occupy us presently, after a brief examination of Dilthey's pertinent views, which, in my opinion, come closest to an understanding of Mozart as a dramatic genius.

Dilthey starts his essay on Mozart<sup>11</sup> with a comparison of Gluck's musical drama with the Italian form of opera. Gluck subordinated the musical forms to the dramatic idea. The unity of action and, therewith, the principles of mimetic vigor and declamatory expression prevail in his operas; dramatic action is always imitation of real action, only intensified and transplanted to a higher level. In the Italian type of opera, however, music is the natural expression of mental life. The persons of the play think in sounds, and sounds are their language. Thus music obtains a dominant position, and as a result the opera of the Italian type transcends the realm of the drama: it becomes entirely detached from the reality of life and develops its particular style by using forms that are specific for the world of sounds. Arias, duets, ensembles, and the strict separation of the musical forms from one another (the so-called "numbers")—so incompatible with the continuous flux of dramatic life—have their justification in the fact that a world detached from reality derives its inner unity from the structure of music.

Mozart made opera the strongest form of the dramatic art by accepting the Italian principle of musical construction and developing it with the aid of the contrapuntal supremacy of German music, that is, by means of an orchestral art evolved in symphonies and chamber music. He built characters, actions, and situations on purely musical principles. A character is expressed in the lower regions of sentiment, in the recitative. It enters into relations to other characters whereby the inner life is intensified

<sup>11</sup> Wilhelm Dilthey, *Von deutscher Dichtung und Musik: Aus den Studien zur Geschichte des deutschen Geistes*, ed. by Herman Nohl and Georg Misch (Leipzig 1933) pp. 275-95.

until it leads to actions in the well circumscribed forms of the interchange of musical speech and the simultaneity of duets, trios, and the like. The intensified state of feeling, originating in action, manifests itself in the aria. Thus the main characters are led through these well determined forms and reveal in these changing relations of life the inner context of their temperaments, habits, and traits. These aspects of the personality become more accessible in the opera than in the spoken drama.

Also the interrelations of the persons with one another in the dramatic actions of the plot are revealed by a set of musical means unattainable to the mere word. First the mood of each scene finds a powerful support in the orchestra, which may prepare it in the introduction and sustain it through all the changing occurrences on the stage. Second there is the specific operatic possibility of having the persons speak in simultaneity. Mozart used this device by having each person express his individuality and at the same time interweaving all of them into the unity of the musical form. By these means the wealth of life is made accessible to the beholder in one single step: being impelled to blend the diversified characters into a harmonious whole, he experiences the world in terms of more or less typical relations of basic modes of conduct of human beings. And in the third place, Mozart assured the continuity of the dramatic process by his technique of presenting the typical attitudes of each of his main characters toward life in most diversified situations. Although these attitudes are modified again and again in manifold variations, they nevertheless remain the same. In this connection Dilthey spoke of a "modulation" of attitudes and personal traits within a single individuation of life.

These musical principles of constructing his characters explain Mozart's relative independence of his texts. He succeeded in expressing in a rich differentiation precisely those moments of the dramatic occurrence to which the text alludes in a merely fragmentary and rather trivial way. Mozart's dramatic ingenuity originated in his temperament, which was capable of surrendering

itself in an entirely objective manner to any situation, to any human being, and even to any event. His was a mimetic vivacity of the highest degree, mirrored also in his letters and his outer appearance. Dilthey believed that he must have been an excellent imitator. Any situation and any human being had for Mozart from the outset a musical voice, and he grasped the musical kernel in any experience. Thus originated in him that fundamental feeling for the fullness of existence which is specific for a dramatist of his kind. In this respect he was similar to Shakespeare. He was born not in order to set the world right but merely to express musically what exists in it. Nothing human was strange to his genius; he showed his full greatness precisely where the text revealed the diversity of life. He had to choose themes reaching from the transcendental world to the lowest region of sensual life, he had to create masters and servants, he had to show noble feelings and low motives, and he had to combine all of them. Only then was he himself.

## III

Dilthey thus attempted to explain Mozart's dramatic genius in terms of musical forms. Like Kierkegaard and Cohen he assumed, however, that the main dramatic purpose of Mozart was to construct by musical means individually unique personalities —characters in this specific sense—and to show the "modulations" of their basic attitudes and traits in changing situations of life or in various interrelations with one another. He assumed that in spite of all modifications and variations these characters remained fundamentally "the same." This view is more or less shared by most of the interpreters of Mozart, by romantic writers such as E. T. A. Hoffmann and Moerike as well as by modern musicologists such as Abert, Dent, Einstein, and Levarie. I submit, however, that in each of Mozart's operas the persons of the play are represented by musical means as "acting out of character." In substantiating this I must restrict myself to a few examples.

For three acts of *Figaro* we enjoy Susanna's scintillating extro-  
versive personality and the wit and inventiveness of the intrigues  
she initiates. Then, in the fourth act, precisely at the moment  
when her scheme of playing tricks on both Figaro and the Count  
is about to succeed, she sings the famous aria in F-major "Deh  
vieni, non tardar," which is the deepest expression of the feelings  
of a young woman who expects her lover. Listening to this  
aria we forget what Susanna has meant to us so far; we forget even  
the context in which this scene stands in the construction of the  
plot. It is just a delightful night in spring and here is a girl—  
any girl—who is looking forward to meeting the man she loves.  
Commentators have tried in different ways to explain the inconsis-  
tency between this aria and Susanna's general attitude toward  
life. Tovey sees in the aria an ironic dramatic tension, while  
others point out that Susanna's real figure is concealed in this  
scene by the fact that she is wearing the Countess' dress.<sup>12</sup> But is  
not the "character" of the Countess also full of contradictions?  
Her two deeply emotional arias are sincere prayers for regaining  
her husband's love, and nevertheless at the same time she  
enters with considerable gusto into a highly doubtful conspiracy  
with her servants against the Count. How to explain that  
Papageno, immediately after the clownish encounter with Mono-  
statos, joins Pamina, whom he meets for the first time, in a duet  
that is a serious and profound meditation on the mystery of the  
togetherness of man and woman? Are Elvira's arias consistent  
with one another and merely "modulations" of a basically un-  
changed personality? Is the fickleness of the leading characters in  
*Cosi Fan Tutte* compatible with the feelings expressed in the en-  
chanting canon at the wedding banquet during which only the  
seriously hurt Guglielmo goes his own way?

All these difficulties disappear if we abandon the assumption

<sup>12</sup> Donald Francis Tovey, "Opera," in *Encyclopaedia Britannica*, 14th ed., vol. 16; Siegmund Levarie, *Mozart's La Nozze di Figaro* (Chicago 1952) p. 209; Arthur Schurig (cited above, note 7) vol. 2, p. 88; Hermann Abert, *W. A. Mozart*, 2 vols. (Leipzig 1923) vol. 2, pp. 352 ff.

that Mozart, by musical means, intended to construct individual characters, unique personalities who grow and develop in the pursuit of their aims and have to meet their comic or tragic destiny. In order to understand Mozart's dramatic intent we have to forget what we have learned from Beethoven and Wagner. We have to consider that Mozart's operas are first of all *plays*, in the true sense of that word as delineated by Huizinga,<sup>13</sup> that is, playful representations of the fullness of life, with all its tragic and comic aspects.

Certainly Mozart deals with both these aspects. Socrates, at the end of the *Symposium*, compels Aristophanes and Agathon to acknowledge that the genius of comedy is the same as the genius of tragedy, and that the true artist in tragedy is an artist also in comedy. Mozart was such a true artist, and his *dramma giocoso* fulfills Socrates' postulate, as do also the various movements of his great compositions in the symphonic form. Nevertheless, as a dramatist he shows the tragic and the comic not in the destiny of the individual but in a succession of diversified and frequently inconsistent *situations*. It is always the situation, and not the individual character, which Mozart builds up in terms of musical forms. Frequently the situations themselves are only typified occasions for displaying typical attitudes on the part of the participants. In a certain sense it could be said that we would not be surprised if Susanna's aforementioned aria were allocated to Zerlina or Dorabella or Pamina: they all are sisters under the skin.

The structural principle of Italian opera consists in a splitting up of the musical process into a set of well circumscribed musical forms—arias, duets, ensemble, the so-called “numbers”—which are interspersed by recitative or even by spoken dialogue. This technique leads in itself to the dissolution of the plot into a string of more or less self-contained situations, in which the persons of the play are involved and within which they have to find their bearings. Musicologists are right in stating that, in

<sup>13</sup> J. Huizinga, *Homo ludens* (New York 1950) pp. 2, 28.

general, "the recitative interprets musically the action," whereas "the aria expresses the reflections, feelings, or resolves of the principal character, which are the consequence of the action just preceding."<sup>14</sup> The skill of the librettist and, above all, of the composer appears in the handling of the manifold problems arising from this particular feature of the "number opera."

Any student of the operas produced by Mozart's contemporaries will easily recognize the extent to which Mozart's genius surpassed the techniques of a Paisiello or Martín or Spontini. Mozart does not merely communicate to us, the beholders, the objective meaning that the situation has within the context of the plot (and even a dramatist of the stature of Gluck does only this). He shows us, in addition, the different meanings that the same situation has to each of the characters involved in it. He makes us understand that to each of them the presence and the behavior of the others are elements of his own situation; and he reveals to us the specific springs of action by which each character acts within and reacts to the situation. This situation itself may be just a typified frame for the events on the stage, and even the attitude of each of the persons involved therein may be merely a typified one. Yet in Mozart's hands such a typified situation becomes unique and concrete, individual and atypical by the particular meaning it has for each of the participant persons.

And this is precisely the condition in which each of us finds himself in everyday life. I am always involved in a situation which—to use a term of modern sociologists—I have to define, and which, in spite of its typicality, has to me and each of my fellowmen a unique and particular meaning. My interrelationships with my fellowmen, their interpretations of my situation and mine of theirs, codetermine the meaning this situation has for me. This complicated texture of meanings is constitutive for our experiencing the social world. It could rightly be said that *Mozart's dramatic art is rather a representation of the basic*

<sup>14</sup> D. J. Grout, "Opera, VIII," in W. Apelt, *Harvard Dictionary of Music* (Cambridge, Mass., 1947) p. 510.

*structure of the social world than an imitation of nature.* By purely musical devices he not only illuminates from within the meaning in terms of which each of the characters on the stage defines the situation, but also succeeds in letting us, the beholders, participate in this process.

What are these musical devices? Dilthey refers rightly to Mozart's handling of the recitatives, his treatment of the orchestra, and his use of the vocal ensemble; and we remember that these three elements of the operatic art were also of particular interest to the French philosophers of the eighteenth century. Dilthey even mentions the deeper reasons for their importance: their function is to build up the unity of the art form of the opera in complete detachment from the reality of everyday life. We have now to discuss very briefly the relationship of the events on the operatic scene to reality as established by the use of these three elements.

The action on the stage takes place before our eyes in outer space and in outer time. Music, however, is a process that goes on in the dimension of inner time, within the *durée*, as Bergson calls it. In listening to music we immerse ourselves in the continuous flux of our consciousness, and participate simultaneously and immediately in the ongoing musical process—with our feelings, emotions, and passions—in an attitude that Nietzsche has called the Dionysiac. The main problem to be solved by the operatic composer is the translation of events in outer time and space into events within the flux of inner time: in order to be expressed by music the disconnectedness of the former has to be brought into the continuum of the latter. This problem can be solved in different ways. In the Wagnerian type of opera the beholder is never released from the continuous flux of inner time in which the uninterrupted musical process immerses him. The technique of the leitmotif and its metamorphoses imbues the actual musical occurrences with recollections of past and anticipations of future events.

With very few exceptions Mozart, however, does not transgress the actual Here and Now determined by the situation at hand. He makes no attempt to establish within each of the "closed" numbers a context either with what precedes the situation or with what follows it. The events of the plot are to him merely occasions for letting his persons say just what they have in their hearts. In his operas full musical treatment is reserved for defining the culminating situations by the characters involved in them: for the arias and the ensembles. For communication of the intervening events the recitative suffices. But Mozart's recitatives by no means follow Rousseau's advice that the declamatory style of spoken language be taken as model. They give us the inflection, the speech melody, of everyday conversation, but exactly in doing so they communicate the emotional fringes around the conceptual kernel, the "feeling suffixes" of the words, as Hermann Cohen called them. And Mozart frequently applies a particular technique in order to lead the listener from the twilight region of the recitative into the depth of the *durée*: gradually the speech melody of the unaccompanied recitative becomes intensified by the addition of the orchestra in the accompanied one, and the passionate expressive content of the latter leads to the *arioso*, until the whole process culminates in the fully developed musical form of the aria or the ensemble.

This leads us to the second feature of the art form of Mozart's operas: the role of the orchestra. Mozart's contemporaries rightly regarded his treatment of the orchestra as an innovation in the operatic art. The role of the orchestra in opera is to a certain extent comparable to that of the chorus in Greek tragedy: the orchestra is the interpreter of and commentator on the events on the stage. It offers to the beholder an objective interpretation of the meaning of the happenings back of the footlights. In doing so it performs a double function. On the one hand, it separates the reality of the world of the stage from the reality of daily life, which is that of the beholder in the stalls; on the other hand, it

amalgamates the flux of the inner *durée* of the listener with the inner events of the characters on the stage into the single unified stream of the ongoing musical process. Thus the listener participates in immediacy in the feelings, emotions, and thoughts of the *dramatis personae*: the orchestra reveals to the listener more about their inner life than they manifest by their actions, gestures, and words.

Mozart was fully aware of this function of the orchestra, as is evident from a passage in his well known letter to his father (September 26, 1781), concerning his work on *The Abduction from the Seraglio*: "Let me now turn to Belmonte's aria in A-major, 'O wie ängstlich o wie feurig.' Would you like to know how I expressed it—and even indicated the throbbing heart? By the two violins, playing octaves . . . You feel the trembling—the faltering—you see how his throbbing breast begins to swell; this I have expressed by a crescendo. You hear the whispering and the sighing—which I have indicated by the first violins with mutes and a flute playing in unison."

Dilthey merely touched on this problem in stating that the orchestra creates and sustains the *mood* of the particular scene. Mozart's orchestra performs an additional function: with unfailing surety he uses this device for bringing about a simultaneity of the fluxes of inner time, that is, a simultaneity between the stream of consciousness of the persons on the stage and that of the beholder. He thus establishes a community of intersubjectivity between the two, since both participate in the same flux of inner time.

And this establishment of an intersubjective community, now between the various *dramatis personae*, is the secret of Mozart's powerful treatment of the ensembles, the third distinctive feature of his operas. To be sure, every dramatist places his characters in a community of space and time, and makes them share a common situation to which they react in a particular way as they act and react upon one another. But the dramatist can present their diversified actions and reactions only in succession, and therefore

in isolation. To show them in simultaneity is the privilege of the musical drama. Yet Mozart does more: he uses this specific device of the art form of opera in order to present in immediacy the intersubjective relations in which his characters are involved. In spite of their diversified reaction to the common situation, in spite of their individual characteristics, they act together, feel together, will together as a community, as a *We*. This does not mean, of course, that they act, feel, or will the same, or with equal intensity. On the contrary, ensembles such as the admired first Finale of *Figaro* clearly show many groupings of the *personnae* involved, both in cooperation and in antagonism. Nevertheless, even in antagonism they are bound together in an intersubjective situation of a community, in a *We*.

I submit that Mozart's main topic is not, as Cohen believed, love. It is the metaphysical mystery of the existence of a human universe of pure sociality, the exploration of the manifold forms in which man meets his fellowman and acquires knowledge of him. The encounter of man with man within the human world is Mozart's main concern. This explains the perfect humanity of his art. His world remains the human world even if the transcendental irrupts into it. The sacred realm of *The Magic Flute* or the supernatural occurrences in *Don Giovanni* belong themselves to the human world. They reveal man's place in the universe as experienced in human terms.

I started with a brief presentation of Schopenhauer's philosophy of music, and in closing I may quote one of his most profound insights. In *The World as Will and Idea* (Book III, Section 52) he refers to Leibniz' famous definition of music: <sup>15</sup> "Musica est exercitium arithmeticæ occultum nescientis se numerare animi"—music is a hidden arithmetical activity of a mind that does not know it is counting. And Schopenhauer proposes to sum up his own conception of music in another definition: "Musica est exercitium metaphysics occultum nescientis se philosophari

<sup>15</sup> Leibniz' letter to Christian Goldbach, April 1712, in G. E. Guhrauer, *Leibnitz* (Breslau 1846) vol. 1, appendix p. 66.

*animi*"—music is a hidden metaphysical activity of a mind that does not know it is philosophizing.

If Schopenhauer is right, and I believe he is, then Mozart was one of the greatest philosophical minds that ever lived. Goethe, in his unerring perspicacity, recognized Mozart's genius, and the words he spoke to Eckermann (March 11, 1828) are still the greatest tribute paid to him: "What else does genius mean but the productive force which brings about new deeds that can stand forth before God and Nature and for this very reason have consequences and last? All the works of Mozart are of this kind; they contain a creative power which will remain effective from generation to generation without being exhausted and consummated in times to come."

## BOOK REVIEWS

ABBOTT, LAWRENCE. *Quality and Competition: An Essay in Economic Theory*. New York: Columbia University Press. 1955. ix & 229 pp. \$3.75.

Theories of pure and monopolistic competition have not developed an analysis of prices and production in which "quality of the product" is an important variable. The theory of pure competition has simplified its position by assuming homogeneity of the quality of the product under analysis—thus formulating its problems in terms of competition among close substitutes instead of competition among differing qualities of a product. The theory of monopolistic competition, in attempting to consider "quality" in some form, has taken it as a given datum in the context of analysis. But the factor of quality as a variable that changes in some orderly fashion, and also induces changes, has not been given enough consideration.

To the author of this work the underemphasis on the nature of quality denies too much of the structure of our civilization. He believes that pure competition is an ideal far better suited to a primitive society than to one with a highly developed culture and technology. With progress making "quality differences" among products a more important aspect of our lives, such differences should be considered in the theory of community welfare.

Dr. Abbott's approach is to view quality differences from the position of the consumer. The individual does not want goods and services as ends in themselves, but rather desires the satisfying experiences that may be derived from them. Thus he is able to define quality differences in terms of a product's ability to give a more or less satisfying experience. The consumer possesses a "constellation of basic wants" and tries to match goods to it; but because he finds that in most cases the physical products fit imperfectly he continues to search for better qualities. Living in the market is a continual process of adjusting purchases, hoping to come closer to the perfectly satisfying experience. The producer, says Dr. Abbott, is in a similar position, for he is always trying to guess what the consumer will choose. His "guesstimates" induce him to vary the quality of the goods he makes, with the hope that he has now hit the target.

Dr. Abbott draws a difference between quality competition and price competition. The producer introduces new quality to induce new buyers to use the product; if he is successful the product yields

a benefit to more members of the community because it hits closer to the target than the previously used product. In price competition, on the other hand, the primary objective is to pacify disgruntled buyers who may drift away to other sellers. But the two are interrelated, and they have a similar function. Wherever prices are excessively high, old producers, or new entrants, are ready to vie for the market by adding to quality. Then the upward shift of costs to give better quality results in an equilibrium that removes all excess profits (the author is here excluding all innovative changes in quality). When prices are flexible, their downward movement helps produce the same results. Dr. Abbott does not believe it to be true that the maximum welfare equilibrium for the community is at the minimum of the average cost curve.

In our society the intensity of quality competition is obvious, for anyone can see the availability of variety in the market, the flexibility of quality, and the shifting shares of the market that producers have from year to year. In answer to those who have deprecated the usefulness of product differentiation, Dr. Abbott insists that informative advertising and the manifold qualities in which a product is offered for sale are essential to increase the number of satisfying experiences that consumers can enjoy. Advertising increases the awareness of new possibilities; quality differences allow various shades of experiences to be met more adequately. Quality competition is not the culprit that reduces welfare; rather, it is deceptive advertising and coercion by competitors that does the damage.

Although this reviewer has found many interesting insights in Dr. Abbott's book, he is as yet not convinced that its author has chosen the proper paths to the solution of some of the inadequacies in current price theory. Dr. Abbott's emphasis on the consumer's "constellation of basic wants" to be satisfied appears to lead the economist outside his domain into that of the psychologist. The objects of behavior are concrete, whatever the fundamental drives that motivate behavior. And the level of specific services or goods is where economic analysis begins.

Dr. Abbott's attempt to define the boundaries of industry in terms of the consumer's constellation of wants runs into difficulty because, as he himself recognizes, consumers' constellations may be satisfied in such different ways that all kinds of industries overlap in competition. The industry is defined as consisting of all those firms producing ". . . products, any one of which is capable of making a particular type of contribution toward the attainment of some experience

or activity" (p. 82). If a definition of industry neglects the producer we may raise the question of who is in competition with whom. At a later point, through his examples, the author appears to go back to some conception of a physical-product industry. Wire of quality  $x$  is in competition with wire of quality  $x^1$  and nylon cord of quality  $x^{11}$ . The three are imperfect but close substitutes for one another. Wire  $x$  and wire  $x^1$  are different in quality but in the same industry, whereas nylon cord  $x^{11}$  is a substitute product of another industry. In so far as the physical-product concept is used in this book, it represents a distinction without a difference.

As to the author's emphasis on the importance of product differentiation for increasing consumer welfare in a dynamic economy, there is much to be said from the other side. Probably quality competition finds its greatest expression in the market for consumer durables. Since these products are purchased at lengthy intervals it is very likely that the buyers are not able to judge how well the replacement product will provide a satisfying experience. By the time a second purchase is to be made the product has been altered, or memory has become inadequate, and the choice is made under the powerful persuasion of salesmen or advertising. Even for products bought again and again the imagined satisfaction may well be colored by such influences. In a dynamic society which makes product differentiation a fetish, it is very probable that sales pressures can keep one step ahead of any adequate education that the mass of buyers may try to acquire. If this becomes the pattern, the possible advantages of proliferating slight quality differences become outweighed by the more serious disadvantages of consumer exploitation.

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WOODMAN, DOROTHY. *The Republic of Indonesia*. New York: Philosophical Library. 1955. ix & 444 pp. \$6.

In 1951 Dorothy Woodman made a trip through the major parts of the 3000-island newly independent Indonesia to see how the leadership, then in power for only a year, was bringing about the consolidation of a people whose loyalties were fragmented. She sought to find how the new leaders were unifying the rice cultivators in Java with the rubber tappers of Borneo, developing in the primitive West Irian (New Guinea) villagers a common interest with the spice pickers of the Moluccas, and creating in the Christians of the Celebes a feeling

of oneness with the strict Muslims of Sumatra and the devout Hindus of Bali—all of them tasks that involve differences of background, language, customs, and religion.

Keeping in mind Indonesian sensitivity, she has made a detailed analysis of the Indonesian story. After presenting brief historical sketches of the major islands, and of how the Netherlands gained control, she has concentrated mainly on the political ramifications of twentieth-century Dutch-Indonesian relations. She shows how the Hollanders blindly focused on trade, neglecting Indonesian culture and education only to find too late that nationalistic elements had been developing for a long time; and reveals the role played by Islam, Marxism, Socialism, and Communism, the development and spread of organizations, the emergence of indigenous heroes of the past and the rise of names—Sukarno, Sjahrir, Hatta, Sastroamidjojo, Subardjo, and others—familiar in the independence movement of the present. There is detailed insight into what went on immediately prior to, during, and just after the war—characterized as a transitional period involving the Japanese and British interludes—and the part of the United Nations in bringing about a settlement. One sees the mistakes made by the Japanese during their occupation, with details of where and how; the distaste felt by the British in having to support Dutch attempts to recolonize the Indonesians; the formation of Asian solidarity; the Dutch designs of political intransigence and sabotage; the indecisiveness of the United States; the game of the Russian bloc; the persistence of the colonial mind in the Belgians and French; and the positive efforts of India and Australia. The book concludes with some searching reflections on problems of the new republic—its administration, education, cultural trends, multiple-language difficulties, social welfare, public health, politics, labor unions, economy, international affairs—conjecture about the future, and a discussion on implications of the Bandoeng Conference. A bibliography, index, and notes are most helpful supplements to the main text.

In bringing together all this information the author has left several spots that could have been improved. The hand-drawn map at the back of the book is far from adequate for following the course of events and places mentioned in the text; there are condescending slips of the pen, such as the use of the derogatory term "coolie," now in disrepute; the writing is romantically mushy in a few spots; and the organization of the material is structurally ragged. But these are minor defects in comparison with the overall value of the book. It

is as current as the author could make it, and her astute political summation is most timely in view of Indonesia's recent general election, in which the American-favored Muslim Masjumi party made a disappointing showing while the Communists emerged as such a strong force that President Sukarno, in January 1956, made a bid for their support in forming the new government. It would have greatly helped United States diplomats in shaping American Indonesian policy if they, like the author, had understood that "the bogey in the Indonesian mind resides in Amsterdam and Washington rather than in Moscow and Peking." Though understandably written with a sympathetic approach to the Indonesians, the volume is largely objective, and is a commendable piece of work helpful in comprehending and interpreting this contemporary political pioneering by an Asian people.

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HAESAERT, JEAN. *Sociologie Générale*. Brussels-Paris: Éditions Érasme, Société Anonyme. 1956. xiv & 511 pp.

This is a new edition of Haesaert's *Essai de sociologie et notes doctrinales conjointes* (1946), brought up to date, completed, and modified to an extent that justifies the new title. The author, member of the Royal Belgian Academy, Professor and Honorary Rector of the University of Gand, is widely known for his searching analyses in the fields of criminology (*Étiologie de la répression des outrages publics aux bonnes moeurs*, 1931), political science (*Défense et aménagement des libertés*, 1936; *La portée politique du New-Deal*, 1937), legal theory (*Théorie générale du droit*, 1948), and international law (*Prélables du droit international public*, 1950).

The present work is an anthropological interpretation of society conceived of as a fabric worked by men in response to their needs. The individual is its basic element, and thus society is mostly explained by human nature, the functions of reproduction, livelihood, and adaptation. The individual is born with elementary dispositions everywhere and always similar (this explains regularity), which develop and become diversified in accordance with circumstance and mental advance (this explains contingency). Although always functional, this development may be far from logical. It results in collective attitudes, the sum of which is the way of life of the group, an outcome of the combined push of the will and the environment.

A community—defined as a self-sufficient (autarchic) group, of which the tribe is the original form, while people and nation are the more developed ones—is characterized as a synergic system. This is built of conjoint activities which it absorbs, being in turn itself absorbed in them. It is a reality, but not a living being, or primary. Its elements are the social relations which, if centered on a common end, assume structure. The whole, consisting of activities, the lines of their development, and a common end, is a system: a sum of reciprocally dependent elements. Its reality is secondary, a machine rather than an organism. It absorbs not the individual as a whole, but merely conjoint activities in which it remains immanent. This sound view is opposed both to organicism and to universalism, the flaws of which it certainly escapes. The question remains whether everything social can be explained in terms of synergy and *disergie*.

The substance of social life is seen in effort—activity and finality under pain of ceasing to exist. But the synergy is also monstrous, a robot, an automaton almost without a soul; this is because the group does not exceed the psychological limits of the median man. The opinion of the author is far from flattering either group or man. Both are, in his view, almost slaves of their desires: first to live, next to procreate, then to get rid of fear, and—now more and more diminishing and finally reduced to a vague influence—an unreal reflex of light, sympathy, benevolence, and, quite at the extreme, thought. But there is an infinite ingenuity at the service of this *élan* (p. 230).

This view, sagaciously taken, sets limits to determinism, but also to progress and optimism. Far from determining history, the role of economics is reduced to particular sectors and made tributary to circumstances; institutions maintain their independence once they are removed from the immediate satisfaction of material needs (p. 359). Still more outspoken is the rejection of geographical determinism ("Possibilisme, oui; probabilisme, parfois; déterminisme, à peine; automatisme, jamais," p. 377). On the other hand, there is neither constant progress nor inevitable decline. Institutions are not subject to periodicity, nor do they follow a fixed curve; they merely change. This change is anomalous, though neither chaotic nor disorderly. It is always reduced to the state of equilibrium which results from the adaptation of the average man to his environment. The curve of Gauss reduces all grandeur to mediocrity. The cyclical theories of Sorokin and Toynbee are rejected (p. 382).

Within this framework an immense learning, a vast scholarly equip-

ment, sound judgment, and an exquisite style combine to make this sociology represent what is best in the Western heritage. Questions of anthropology, psychology, religion, marriage and the family, classes, political structure, biology, economics, statistics, geography, language, mobility, and social norms are treated with a thoroughness that in some cases borders on that of special treatises. The book is also a running commentary on American, English, French, German, Flemish, Dutch, and other literature on these subjects, in itself an outstanding achievement in judicious criticism. At the same time, this is a work of art. It illustrates theory by depicting in unforgettable, vivid style the shifting scene, primitive, ancient, mediaeval, modern, and contemporary—reminding the reader sometimes of the canvases of Rembrandt, more often of Breughel, and a bit always of the *Praise of Folly*. In sum, it is a book that is not only pioneering in scholarship, not only a gold mine of information, but also eminently enjoyable.

BARNA HORVATH

*Graduate Faculty of the New School*

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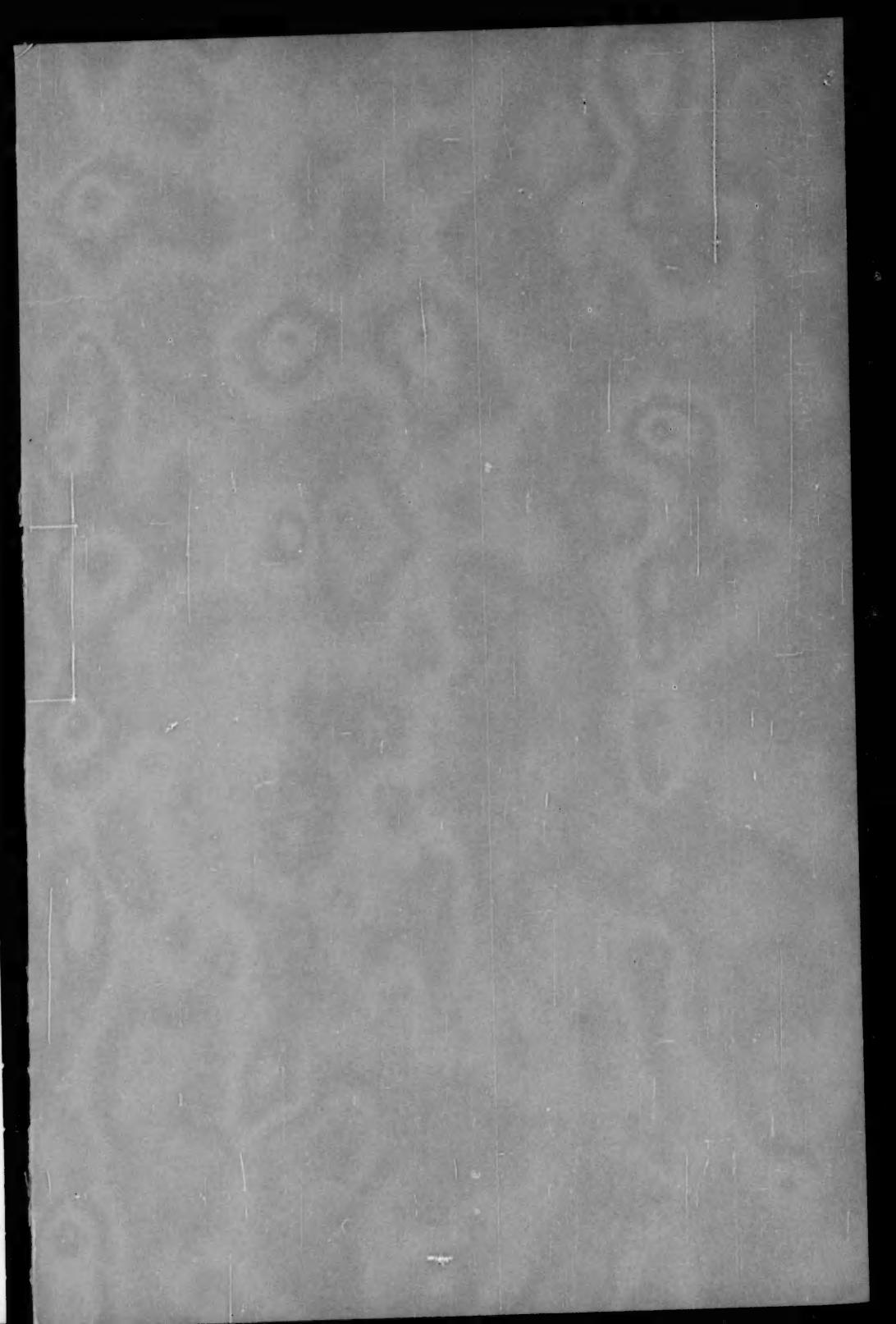
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